



■ MENTHA

■ May 26th, 2007

SPOT MARKETS

The spot market prices of Mentha Oil eased at most of the major of markets on weak physical demand. Exporters and locals demand remained subdued or absent in the market during the Friday's trade. Consequently arrivals declined at the majority of markets. At Sambhal market arrivals declined to 30-35 barrels from 40-50 barrels with no arrival reported in Chandausi. Barabanki experienced the arrival of around 10-15 barrels. Prices are likely to dip further after the start of fresh arrivals in the market, which expected in coming days. According to the state run Spices Board, India exported 16,250 tonne of mint product during 2006-07 against the last year's 14,544 tonne. India is the largest producer of Mentha oil and exports nearly 75-80% of its produce.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. May contract, opened slightly weak at Rs.584.9 against the previous closing price of Rs. 585.2 and traded down initially testing a low of Rs 583.5. However, prices recovered thereafter on increased buying interest and settled in the positive side. May contract traded in the range of Rs 583.5-592.0 with increasing Open interest and declining volume.

PRICE DRIVERS

1. Weak demand from locals and exporters
2. Lower arrivals in the market.
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 24.05.07
MCX	1,22,315.700 Kg

TECHNICALS:

Charts are showing firmness in market. MACD and EMA indicate for firmness in market. Stochastic is moving up following a bullish cross over. Market is expected to trade up following a steady to slightly firm opening with possibility of late downward movement.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	585	582	587.2	599	601

TRADE RECOMMENDATION

BUY MCX Mentha Oil May contract above 587 with target of 593, then 597. Put stop loss at 584. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	25.05.07	24.05.07	Change
Mentha Oil	Sambhal	584-85	587	-2
	Chandausi	595	598	-3
	Rampur	-	-	-
	Barabanki	568	570	-2

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