

# MENTHA OIL

**Agriwatch**  
DAILY

## MENTHA

May 04, 2007

### SPOT MARKETS

Spot markets witnessed slight decrease in prices on the back of weak demand and unchanged supply status in the market on Wednesday. Demands in the market were mainly from the locals, but little exporters demands were also observed in Barabanki. Chandausi and Sambhal experienced the lower arrivals of 60-70 barrels and 50-60 barrels respectively. Rampur and Barabanki also witnessed lower arrivals of 30-40 barrels and 20 barrels respectively. Except Barabanki exporters presences in the markets were not found today mainly due to recent depreciation of Dollar against Rupee. Present arrivals are mainly coming from the stockists. Thus, prices are expected to go down slightly in coming days due to weak demand in the market. Arrivals of fresh crop are expected in mid May, which would impart bearishness.

### FUTURES MARKETS

MCX Mentha oil May contracts experienced lackluster trade with bearish undertone. May contract, opened slightly weak at Rs.584.20 against the previous closing price of Rs. 584.50 and traded upward initially, testing a high of Rs.587.00 but on the back of higher selling pressure futures finally settled at bearish side. May contract traded in the range of Rs.587.00-576.70. Volume declined significantly while open interest had a marginal decline.

### PRICE DRIVERS

1. Less Exporters demand due to Dollar depreciation against Rupee.
2. Lower local demand
3. Unaltered arrivals in the market.

### WAREHOUSE STOCKS

Exchange	Stock
MCX	2,84,567.870 Kg

### TECHNICALS

Charts are showing weakness in the market. The prices closed above short term EMAs. MACD is moving upward in neutral region. Stochastic has made bearish cross over in over bought region that indicated reversal. Market is expected to trade down following a steady to slightly firm opening.



### SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	567	563	578.1	584	588

### TRADE RECOMMENDATION

**SELL** MCX Mentha Oil May contract below 580 with target of 574, then 570. Put stop loss at 583. Trade cautiously with intraday outlook.

### Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	03.05.07	02.05.07	Change
Mentha Oil	Sambhal	590	593	-3
	Chandausi	590	595	-5
	Rampur	588	587-588	0
	Barabanki	570-575	575	-3

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