



■ MENTHA

■ May 29th, 2007

SPOT MARKETS

The spot prices of Mentha Oil tumbled sharply at most of the major markets amidst increased arrivals against weak physical demand. Demand from locals and exporters remained subdued or absent in the market. On other hand the fresh new arrivals started coming in the market, which is heavily weighing on prices. At Sambhal market arrival increased to 100 barrels from 30-35 barrels and Chandausi market received the higher arrival of around 250-350 barrels. Barabanki and Rampur also received the higher arrivals of 100 and 150 barrels. The prices are expected decline further as the new arrival started coming in the market.

FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. May contract, opened weak at Rs.581.5 against the previous closing price of Rs. 583.5. Prices tumbled thereafter on increased selling pressure and settle down at Rs 548.5 hitting 6% lower circuit. May contract traded in the range of Rs 548.5-581.5 with decreasing Open interest and increasing volume.

PRICE DRIVERS

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

WAREHOUSE STOCKS

Exchange	Stock as on 26.05.07
MCX	1,49,668.750 Kg

TECHNICALS:

Charts are showing strong weakness in market. MACD and EMA indicate for further weakness in market. Stochastic has made bearish cross over in neutral region. Market is expected to trade down following a steady opening with possibility of late upward movement.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	536	534	548.5	552	554

TRADE RECOMMENDATION

SELL MCX Mentha Oil May contract below 549 with target of 541, then 539. Put stop loss at 553. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	28.05.07	26.05.07	Change
Mentha Oil	Sambhal	525	585	-60
	Chandausi	540-42	595	-53
	Rampur	535	-	-
	Barabanki	520	568	-48

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt. Ltd.