



MENTHA

June 1st, 2007

SPOT MARKETS

The prices of Mentha Oil in all the major markets improved slightly on Thursday's trading though to a limited extent due to good local demand, demand from the stockiest and low arrivals in some markets. The price of the Mentha Oil has recovered slightly on Thursday's trading after experiencing last few days downward trend. According to the reliable market sources, the prices of Mentha Oil in Chandausi and Rampur increased due to low fresh arrivals and good local demands and these two markets received a low arrival of 400-500 barrels and 150 barrels respectively. Sambhal and Barabanki markets have received high arrivals of 125-150 and 100-150 barrels respectively during Thursday's trading. Today's trend of good local demand as well as demand from the stockiest against the weak supply shows that the price may further up for the short term but for the medium term, the prices of Mentha Oil will decline due to the bumper production of Mentha Oil (expecting 30,000 tonnes) and low demand (from both locals and exporters).

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. June contract, opened weak at Rs.496.0 against the previous closing price of Rs. 497.8 and traded down initially testing a low of Rs 495.6. However, prices recovered thereafter on increased buying interest and settled in the positive side. June contract traded in the range of Rs 495.6-502.9 with increasing open interest and declining volume.

PRICE DRIVERS

1. Good demand from locals
2. subdued demand from exporters
3. Increased arrivals in the market.
4. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 28.05.07
MCX	1,49,668.750 Kg

TECHNICALS:

Charts are showing slight firmness in market. However, long upper shadow indicates selling pressure at higher levels. MACD and EMA indicate for further weakness in prices. Stochastic is moving down in over sold region. 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	490	489	499.3	503	504

TRADE RECOMMENDATION

SELL MCX Mentha Oil June contract below 501 with target of 495, then 491. Put stop loss at 504. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	31.05.07	30.05.07	Change
Mentha Oil	Sambhal	521	518	+3
	Chandausi	525	520	+5
	Rampur	520	516	+4
	Barabanki	500	495	+5

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