



## ■ MENTHA

■ May 18, 2007

### SPOT MARKETS

The spot market prices of Mentha Oil quoted higher at the major markets of Sambhal and Chandausi on the back of lower arrivals against good local demand while prices stood steady at Rampur and Barabanki markets on subdued trading activity against steady arrivals. Arrival at Sambhal market stood steady at 45-55 barrels with no arrival reported at Chandausi market. At Rampur and Barabanki market arrivals stood steady at 15-20 barrels. Exporters demand remained subdued in the market. Prices are expected to remain firm in coming days on good buying support against declining arrivals. However, prices remain lower in medium to long term on the back of expectation of bumper production this year. As this year acreage of menthe crop increased significantly and harvesting of the new crop expected to start soon.

### FUTURES MARKETS

MCX Mentha oil May contracts witnessed firm sentiment with bullish tone. May contract, opened firm at Rs.593.8 against the previous closing price of Rs. 592.3. Contract then traded up on increased buying interest testing a high of Rs 600.0 and finally settled in the positive side. May contract traded in the range of Rs 593.8-600.0. Open interest declined marginally while volume increased significantly.

### PRICE DRIVERS

1. Subdued demand from Locals
2. Subdued export demand
3. Lower arrivals in the market.
4. Expected bumper production this year

### WAREHOUSE STOCKS

Exchange	Stock
MCX	1,52,816.720 Kg

### TECHNICALS:

Charts are showing firmness in market. The prices closed above the short term EMAs that indicates short-term & medium term firmness. MACD has made bullish cross over in neutral region while stochastic is moving down in neutral region. Market is expected to trade up following a steady to slightly firm opening.



### SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	593	591	597	605	606

### TRADE RECOMMENDATION

**BUY** MCX Mentha Oil May contract above 596 with target of 601, then 604. Put stop loss at 593.5. Trade cautiously with intraday outlook.

### Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	17.05.07	16.05.07	Change
Mentha Oil	Sambhal	595	594	+1
	Chandausi	608	605	+3
	Rampur	600	600	0
	Barabanki	580	580	0

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