



## ■ MENTHA

■ May 14, 2007

### SPOT MARKETS

Amidst subdued demand from locals and exporters against improved arrivals the prices of mentha oil remained unchanged at the majority of markets. Arrivals at sambhal market increased to 70-80 barrels from 50-60 barrels. Rampur and Barabanki market experienced slightly higher arrivals of 20-25 barrels with no arrivals reported in the chandausi market. Some reports of desperate selling by Stockists at higher price level reportedly in the market. Mentha oil production this year is expected to increase by 30-35% as farmers boosted planting in UP and Bihar. Bihar is expected to produce 500 tonne of mentha oil this year as against the 60 tonne of last year. The new fresh arrivals expected to hit the market by the end of May to early June. Thus prices are expected to remain in the lower side in medium to long run.

### FUTURES MARKETS

MCX Mentha oil May contracts experienced weak sentiment with bearish tone. May contract, opened slightly firm at Rs.594.70 against the previous closing price of Rs. 593.9. Futures traded up thereafter on increased buying interest testing a high of Rs 601.5. However, futures tumbled thereafter on profit booking and settled at Rs 593.9. Open interest declined significantly while volume increased significantly.

### PRICE DRIVERS

1. Low demand from Exporters and Locals
2. Higher arrivals in the market.
3. Expected bumper production this year

### WAREHOUSE STOCKS

Exchange	Stock
MCX	2,69,332.520 Kg

### TECHNICALS:

Charts are showing weakness in market. The prices closed above the short term EMAs that indicates short-term & medium term firmness. MACD and stochastic is moving up in neutral region. Market is expected to trade up following a steady to slightly firm opening with possibility of slight late downward movement.



### SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	593	591	593.9	607	609

### TRADE RECOMMENDATION

**BUY** MCX Mentha Oil May contract above 595 with target of 601, then 605. Put stop loss at 592. Trade cautiously with intraday outlook.

### Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	12.05.07	11.05.07	Change
Mentha Oil	Sambhal	594-595	594-595	-
	Chandausi	610	610	-
	Rampur	598	598	-
	Barabanki	577	577	-

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