

MENTHA OIL

Agriwatch
DAILY

MENTHA

May 08, 2007

SPOT MARKETS

Spot markets witnessed a steady increase in prices on back of lower arrival in the market and increase in local and export demand on Monday. Chandausi experienced very little or no arrivals whereas Sambhal experienced the arrivals of 50-60 barrels. Rampur and Barabanki also witnessed lower arrivals of 10-12 barrels and 20 barrels respectively. Exporter's participation increased little. Present arrivals are mainly coming from the stockists. Arrivals of fresh crop are expected in mid to end of May. Thus, prices are expected to remain steady in coming days due to lower arrivals and increasing demand in the market.

FUTURES MARKETS

MCX Mentha oil May contracts experienced firm sentiment with bullish tone. May contract, opened slightly firm at Rs.588.00 against the previous closing price of Rs. 587.60. May contract traded downward initially, testing a low of Rs.585.50 and then on the back of higher buying interest, futures tested a high of Rs.595.80 and finally settled at bullish side at close of Rs.592.90. Both open interest and volume increased significantly.

PRICE DRIVERS

1. Increase in Exporters demand
2. Increasing local demand
3. Very lower arrivals in the market.
- 4.

WAREHOUSE STOCKS

Exchange	Stock
MCX	2,84,567.870 Kg

TECHNICALS

Charts are showing firmness in market. The prices closed above the short term EMAs. MACD is moving upward in neutral region while Stochastic is slightly upward in over bought region. Market is expected to trade up following a steady to slightly weak opening.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	586	584	592.90	602	604

TRADE RECOMMENDATION

BUY MCX Mentha Oil May contract above 589 with target of 595, then 599. Put stop loss at 586. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	07.05.07	05.05.07	Change
Mentha Oil	Sambhal	593-595	595-596	-1
	Chandausi	603	600	+3
	Rampur	604-605	595-597	+10
	Barabanki	580	570-575	+6

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