



■ MENTHA

■ May 16, 2007

SPOT MARKETS

Amidst good local and export demand against lower arrivals prices of Mentha oil quoted slightly higher at the major market of Chandausi and Rampur, while prices remained unchanged at the markets of Sambhal and Barabanki on subdued trading activity. Arrivals at Sambhal market declined from 75-85 to 45-55 barrels while no arrivals reported at Chandausi market. Rampur and Baranki experienced the arrivals of 15-20 barrels during the Tuesday's trade. Some improvement is expected in short run due to good demand against lower arrivals. However, expectation of bumper production this year would depress the prices in medium to long term.

FUTURES MARKETS

MCX Mentha oil May contracts witnessed firm sentiment with bullish tone. May contract, opened slightly weak at Rs.586.5 against the previous closing price of Rs. 587.8. Futures traded up thereafter on increased buying interest and tested a high of Rs. 594.5 and settled in the positive side. Open interest increased marginally while volume declined significantly.

PRICE DRIVERS

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

WAREHOUSE STOCKS

| Exchange | Stock |
|----------|-----------------|
| MCX | 2,69,332.520 Kg |

TECHNICALS:

Charts are showing firmness in market. The prices closed above the short term EMAs that indicates short-term & medium term firmness. MACD and stockists is moving slightly down 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 | 591 | 589 | 591.5 | 604 | 605 |

TRADE RECOMMENDATION

BUY MCX Mentha Oil May contract above 593 with target of 598, then 601. Put stop loss at 590.5. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

| Origin/Grade | Centre | 15.05.07 | 14.05.07 | Change |
|--------------|-----------|----------|----------|--------|
| Mentha Oil | Sambhal | 594 | 593-94 | 0 |
| | Chandausi | 608 | 606 | +2 |
| | Rampur | 600 | 598 | +2 |
| | Barabanki | 580 | 580 | 0 |

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