



■ MENTHA

■ May 12, 2007

SPOT MARKETS

Amid some demand from locals and exporters the prices of mentha oil quoted higher at the majority of markets. Arrivals at sambhal market declined to 50-60 barrels from 70-80 barrels. Rampur and Barabanki market experienced slightly weak arrivals of 15-20 barrels with no arrivals reported in the chandausi market. Stockists were offloading their stock on expectation of higher production this year with a view to build up new stock at lower prices. 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 firm sentiment with bullish tone. May contract, opened weak at Rs.582.30 against the previous closing price of Rs. 584.20. Futures traded up thereafter on increased buying interest testing a high of Rs 595 and finally settled at Rs 594.80. Open interest declined significantly while open interest increased marginally.

PRICE DRIVERS

1. Increase in Exporters demand
2. Increasing local demand
3. Higher arrivals in the market.

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 is moving up in neutral region while stochastic is moving down in over bought 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	594.8	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	11.05.07	10.05.07	Change
Mentha Oil	Sambhal	594-595	590	+5
	Chandausi	610	600	+10
	Rampur	598	595	+3
	Barabanki	577	575	+2

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