

MENTHA OIL

Agriwatch
DAILY

■ MENTHA

■ May 23, 2007

SPOT MARKETS

The spot market prices of Mentha Oil remained unchanged at the majority of markets on the back of subdued trading activity against steady arrivals in the market. Some reports of fresh arrivals by farmers along with the arrivals from stockists restricting the prices to move up. Thus, prices are expected to remain steady to slightly weak in coming days. However, expectation of bumper production of mentha oil and pressure of new arrivals in early June would keep the prices at lower level. Last year country produced 22,000-25,000 tonnes of mentha oil and this year it is expected to cross 30,000 tonnes due increase in acreage in MP, Haryana, Bihar followed by UP, which accounts 80% of the total production. Bihar is expected to produce 500-550 tonne while MP likely to produce around 300-400 tonne of mentha oil.

FUTURES MARKETS

MCX Mentha oil May contracts witnessed firm sentiment with bullish tone. May contract, opened slightly weak at Rs.570.5 against the previous closing price of Rs. 571.3 and traded down initially testing a low of Rs 567.7. However, prices recover thereafter on buying interest and settled in the positive side. May contract traded in the range of Rs 567.7-578.9 with declining Open interest and increasing volume.

PRICE DRIVERS

1. Weak export & Local demand
2. Higher arrivals in the market.
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock
MCX	33,055.850 Kg

TECHNICALS:

Charts are showing firmness in market. MACD and EMA indicate for a strong bearish trend. Stochastic is moving down in neutral region. Market is expected to trade down following a steady to slightly firm opening.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	565	562	576	580	583

TRADE RECOMMENDATION

SELL MCX Mentha Oil May contract below 578 with target of 572, then 568. Put stop loss at 581. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	22.05.07	21.05.07	Change
Mentha Oil	Sambhal	580	580	0
	Chandausi	595	595	0
	Rampur	590	590	0
	Barabanki	565	565	0

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