

## MENTHA

May 05, 2007

### SPOT MARKETS

Spot markets witnessed steady status in prices. Little increase in demand and lower arrival in the market on Wednesday helped the prices to ease further. Demands in the market were mainly from the locals, but little exporters demands were also observed in Barabanki and Chandausi. Chandausi experienced very low arrivals of 20-25 barrels whereas Sambhal experienced the arrivals of 50 barrels. Rampur and Barabanki also witnessed lower arrivals of 20-25 barrels and 20 barrels respectively. Exporters were not participating in the trading mainly due to recent depreciation of Dollar against Rupee. Present arrivals are mainly coming from the stockists. Thus, prices are expected to go down slightly in coming days due to weak demand in the market. Arrivals of fresh crop are expected in mid May, which would impart bearishness.

### FUTURES MARKETS

MCX Mentha oil May contracts experienced lackluster trade with bearish undertone. May contract, opened slightly weak at Rs.579.00 against the previous closing price of Rs. 578.60. May contract traded both ways, testing a high of Rs.582.60 and a low of Rs. 574.10, but on the back of higher selling pressure futures finally settled at bearish side at close of Rs.578.00. Open interest declined marginally while volume had a sharp decline.

### PRICE DRIVERS

1. Weak Exporters demand due to Dollar depreciation against Rupee.
2. Lower local demand
3. Lower arrivals in the market.

### WAREHOUSE STOCKS

Exchange	Stock
MCX	2,84,567.870 Kg

### TECHNICALS

Charts are showing indecisive market. The prices managed closed above short term EMAs. MACD is moving upward in neutral region while Stochastic has made bearish cross over in over bought region that indicate strong weakness. 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	567	562	578	584	588

### TRADE RECOMMENDATION

**SELL** MCX Mentha Oil May contract below 580 with target of 574, then 570. Put stop loss at 583. Trade cautiously with intraday outlook.

### Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	04.05.07	03.05.07	Change
Mentha Oil	Sambhal	590-591	590	0
	Chandausi	590	590	0
	Rampur	590	588	+2
	Barabanki	570-575	570-575	0

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