



## ■ MENTHA

■ June 15<sup>th</sup>, 2007

### SPOT MARKETS

Mentha oil prices remained unmoved at most of the major markets on good demand against increased arrivals, while improved marginally in Sambhal market on good demand against restricted arrivals. Good demand from locals and exporters supported the prices. Arrivals at the majority of markets increased during the Thursday's trade as against Wednesday's. Chandausi market received the arrivals of 600 barrels and Rampur market experienced the arrivals of 400 barrels, up 250 and 100 barrels from the Wednesday's level. Arrivals at Sambhal and Barabanki remained unchanged during the Thursday's trade. Further, rains over Barabanki hampered the trading activity. The progress of monsoon northeast part particularly over mentha growing regions may affect the recovery percentage of mentha oil from the mentha crop, which adversely affects the production. Thus, some bullishness is expected in short term.

### FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. June contract opened firm at Rs.510.0 against the previous closing price of Rs. 503.3 and traded up initially testing a high of Rs. 511.0. However, prices tumbled thereafter on increased selling pressure and settled at Rs.507.3. June contract traded in the range of Rs 504.0-511.0 with increasing open interest and declining volume.

### PRICE DRIVERS

1. Good demand from the exporters
2. Heavy fresh arrivals in the market.
3. Expected bumper production this year

### WAREHOUSE STOCKS

Exchange	Stock as on 13.06.07
MCX	83,794,800Kg

### Spot Market Prices

Origin/Grade	Centre	14.06.07	13.06.07	Change
Mentha Oil	Sambhal	519	517	+2
	Chandausi	520	520	-
	Rampur	522	522	-
	Barabanki	500	500	-

### TECHNICALS:

Candlestick chart are showing weakness in market. MACD and EMA indicate for short term firmness. Stochastic has made bullish cross over in neutral region. Market is expected to trade up following a steady to slightly firm opening with possibility of late downward movement.



### SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-June Contract	505	505	507.3	515	516

### TRADE RECOMMENDATION

**BUY** MCX Mentha Oil June contract above 508 with target of 512, then 514. Put stop loss at 506. Trade cautiously with intraday outlook.

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