



MENTHA

June 7th, 2007

SPOT MARKETS

The prices of Mentha Oil in all major markets slightly went up on Wednesday's trading on normal demand against the restricted arrivals. Except Barabanki, all other major markets received fewer arrivals than the Tuesday's trading. The fresh arrivals remained same in the Barabanki market at 200 barrels where as Sambhal received a low arrival of 120 barrels and both Chandausi and Rampur received 150 barrels each. Wednesday's trade also witnessed a slight demand from the exporters as well as locals. As the fresh arrivals started coming to the markets, and as the markets are expecting more arrivals by the Mid June, the prices of Mentha Oil is likely to decline in the short to medium term.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. June contract opened firm at Rs.497.0 against the previous closing price of Rs. 496.0 and traded down initially testing a low of Rs 495.5. However, prices recovered thereafter on increased buying interest and settled in the positive side. June contract traded in the range of Rs 495.5-501.6 with declining open interest and volume.

PRICE DRIVERS

1. Normal demand from locals as well as from exporters
2. Low arrivals in the market.
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 05.06.07
MCX	1,89, 944,950 Kg

Spot Market Prices

Origin/Grade	Centre	06.06.07	05.06.07	Change
Mentha Oil	Sambhal	520	517	+3
	Chandausi	518	516	+2
	Rampur	518	515	+3
	Barabanki	500	495	+5

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TECHNICALS:

Charts are showing firmness in market. Closing price is below the 9 and 18days EMA which indicate for short term weakness in prices. MACD is moving upward negative region. Stochastic has made bearish cross over in over sold region. Market is expected to trade down following a steady to slightly firm opening with possibility of late upward movement.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-June Contract	490	488	499.2	505	506

TRADE RECOMMENDATION

SELL MCX Mentha Oil June contract below 502 with target of 496, then 492. Put stop loss at 505. Trade cautiously with intraday outlook.