



MENTHA

June 20th, 2007

SPOT MARKETS

In major markets like Sambhal and Barabanki, the spot prices of Mentha Oil remained unmoved despite the increased arrivals during Tuesday's trade. Good demand from the exporters has held up the price range of Mentha Oil. In Chandausi market, prices were further slashed down against the restricted supply on the back of subdued demand. In Rampur market also, the prices were further down against the increased arrival on the back of a normal demand. Sabhal market received four times high of 200 barrels than on Monday's 50 barrels. Chandausi market received the same arrivals of 500 barrels while both Rampur and Barabanki received each 50 barrels more than the previous day's trading. The supply of Mentha Oil are greatly affected due to last few days rain over these regions. Traders in the market believe that good weather could be resulted the heavy supply Mentha Oil to the markets. Keeping in mind the above trend of the market, the Mentha Oil prices will be range bound in the short term.

FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. June contract opened slightly weak at Rs.509.3 against the previous closing price of Rs. 509.7 and traded down initially testing a low of Rs. 501.1. However, prices recovered thereafter on some buying interest at lower level but finally settled at negative side. June contract traded in the range of Rs 501.1-509.3 with increasing volume and open interest.

PRICE DRIVERS

1. Normal demand in the Markets
2. Increased fresh arrivals in the Markets
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 16.06.07
MCX	76,597,100Kg

TECHNICALS:

Candlestick showing slight weakness in market. MACD and EMA favours for the bulls. Stochastic has made bearish crossover in neutral region, which indicate for weakness in market. 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	500	499	507	511	512

TRADE RECOMMENDATION

SELL MCX Mentha Oil June contract below 509 with target of 504, then 502. Put stop loss at 511.5. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	19.06.07	18.06.07	Change
Mentha Oil	Sambhal	520	520	-
	Chandausi	515	522	-7
	Rampur	518	522	-4
	Barabanki	502	502	-

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