



## MENTHA

June 2<sup>nd</sup>, 2007

### SPOT MARKETS

The prices of Mentha Oil in most of the major markets improved on Friday's trading due to low arrivals against the good local demand. The Chandausi market experienced further decline of prices as there is no fresh arrivals and low local demand and this is due to the renovation of mandi. The Sambhal market received a low 120 barrels as the distillation plant is under work. New arrivals in Rampur market are as low as 50-60 barrels due to the renovation of Chandausi market, a major supplier to Rampur market. The fresh arrivals in Barabanki market during Friday's trading are slightly high of 110-160 barrels than the Thursday's trading. The present trend of slightly increase of prices against the low arrivals indicate that the prices may further go up slightly for the short term but for the medium term, the prices of Mentha Oil will further decline as all markets expecting heavy fresh arrivals due to the bumper production of Mentha Oil which is likely to touch 30,000 tonnes.

### FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. June contract, opened slightly firm at Rs.500.0 against the previous closing price of Rs. 499.5. Contract then traded up on increased buying interest and settled in the positive side at Rs 507.5. June contract traded in the range of Rs 500.0-507.5 with increasing open interest and volume.

### PRICE DRIVERS

1. Subdued demand from locals and exporters
2. Low arrivals in the market.
3. Expected bumper production this year

### WAREHOUSE STOCKS

Exchange	Stock as on 31.05.07
MCX	2,19,471.600 Kg

### TECHNICALS:

Charts are showing firmness in market. MACD is moving up in negative region which shows decrease in bearish momentum. Closing price is below the short term EMA. Stochastic has made a bullish cross over which shows recovery. 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-May Contract	505	503	507.5	520	522

### TRADE RECOMMENDATION

**BUY** MCX Mentha Oil June contract above 508 with target of 514, then 518. Put stop loss at 505. Trade cautiously with intraday outlook.

### Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	01.06.07	31.05.07	Change
Mentha Oil	Sambhal	524	521	+4
	Chandausi	510	525	-15
	Rampur	525	520	+5
	Barabanki	500	505	+5

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