



■ MENTHA

■ June 5th, 2007

SPOT MARKETS

The prices of Mentha Oil at most of the major markets slashed down slightly during the Monday's trade on the back of heavy new arrivals against a normal demand, while remained unmoved at Chandausi market on subdued trading activity against comparatively less arrivals. Most of the major markets witnessed slightly high arrivals than the Saturday's as the fresh arrivals started coming in the market. Chandausi market witnessed fresh arrivals of 100-150 barrels, Sambhal and Rampur markets received 150-175 barrels each and the arrivals in the Barabanki reported at 200 barrels. Thus, prices are expected to remain in the lower side in coming days as the fresh arrivals started coming in the market. Sources, reported that the arrivals are higher than the demand which is heavily weighing on prices.

FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. June contract, opened weak at Rs.498.7 against the previous closing price of Rs. 502.3 and traded down thereafter on increased selling pressure and settled in the negative side. June contract traded in the range of Rs 498.7-489.4 with increasing open interest and volume.

PRICE DRIVERS

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

WAREHOUSE STOCKS

Exchange	Stock as on 02.06.07
MCX	2,19,471.600 Kg

Spot Market Prices

Origin/Grade	Centre	04.06.07	02.06.07	Change
Mentha Oil	Sambhal	516	523	-7
	Chandausi	510	510	-
	Rampur	515	518	-3
	Barabanki	495	500	-5

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TECHNICALS:

Charts are showing weakness in market. MACD and EMA indicate for short term bearishness. Stochastic is moving up 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	484	483	492.6	499	500

TRADE RECOMMENDATION

SELL MCX Mentha Oil June contract below 495 with target of 489, then 485. Put stop loss at 498. Trade cautiously with intraday outlook.