



MENTHA

June 11th, 2007

SPOT MARKETS

The spot prices of Mentha Oil at all major markets slashed down during Saturday's trade on the back of heavy fresh arrivals against a normal demand. According to the market sources, heavy fresh arrivals pushed the prices down. Sambhal and Chandausi markets received the highest arrival of 300 barrels each, up 50-100 barrels from Friday's trading session. The fresh arrivals at Barabanki and Rampur markets are 250 and 200 barrels respectively. All the major markets are expecting more fresh arrivals by the mid of this month, as the fresh arrivals gradually picking up pace. Thus, mentha oil prices are expected to decline further due to increasing fresh arrivals in the market.

FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. June contract opened weak at Rs.503.1 against the previous closing price of Rs. 507.5. Contract then traded down on increased selling pressure testing a low of Rs 489.0 and settled red. June contract traded in the range of Rs 489.0-503.1 with increasing open interest and volume.

PRICE DRIVERS

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

WAREHOUSE STOCKS

Exchange	Stock as on 07.06.07
MCX	171,233,600Kg

TECHNICALS:

Candlestick chart are showing weakness in market. MACD and EMA indicate for short term bearishness. Stochastic is moving upward in neutral 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	487	486	492.3	497	498

TRADE RECOMMENDATION

SELL MCX Mentha Oil June contract below 495 with target of 490, then 488. Put stop loss at 497.5. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	09.06.07	08.06.07	Change
Mentha Oil	Sambhal	510	525	-15
	Chandausi	512	525	-13
	Rampur	515	526	-11
	Barabanki	495	505	-10

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