



■ MENTHA

■ June 4th, 2007

SPOT MARKETS

The prices of Mentha Oil in most of the major markets slashed down slightly on Saturday's trading though to a limited extent due to good new arrivals against a weak local demand. The prices in Chandausi market remained steady on good demand against heavy fresh arrivals. The Mentha Oil prices declined in all other markets due to heavy arrivals against a weak local demand. The Sambhal market received a slightly higher 150 barrels than the Friday's. New arrivals in Rampur market are only 70-80 barrels and Barabanki market received 110-160 barrels. As per the reliable markets sources, fresh arrivals started coming to the market. This may cause for the further decline of prices in the medium term as all major markets would experience good arrivals, as the country is expecting bumper production of over 30000-32000 tonnes of Mentha Oil this year.

FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. June contract, opened firm at Rs.509.0 against the previous closing price of Rs. 507.8 and traded up initially testing a high of Rs 512.0. However, prices tumbled thereafter on increased selling pressure and settled in the negative side. June contract traded in the range of Rs 499.8-512.0 with declining 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 01.06.07
MCX	2,19,471.600 Kg

TECHNICALS:

Charts are showing weakness in market. MACD is moving slightly up in negative region. Closing price is below the short term EMA. Stochastic is moving up in over sold region which show 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-June Contract	502	500	502.3	515	517

TRADE RECOMMENDATION

BUY MCX Mentha Oil June contract above 504 with target of 510, then 514. Put stop loss at 501. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	02.06.07	01.06.07	Change
Mentha Oil	Sambhal	523	524	-1
	Chandausi	510	510	-
	Rampur	518	525	-7
	Barabanki	500	505	-5

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