



MENTHA

June 9th, 2007

SPOT MARKETS

All the major markets experienced a slight increase in mentha oil prices during the Friday's trade on good demand against restricted supply. Sambhal market received the highest arrival of 250 barrels, followed by Barabanki 225 barrels, Chandausi 200 barrels, and Rampur 150 barrels. Sources reported of good demand from the locals, exporters at lower price levels with some report of selling by stockiest. As the distillation process is on, fresh arrivals started coming to the market. All major markets are expecting heavy fresh arrivals by the mid of this month which may pressurize the Mentha Oil prices further down in short to medium term.

FUTURES MARKETS

MCX Mentha oil witnessed lackluster trade with slightly bullish tone. June contract opened slightly firm at Rs.508.9 against the previous closing price of Rs. 507.5 and traded down initially testing a low of Rs 501.3. However, prices recovered thereafter on increased buying interest and managed to settle in the positive side. June contract traded in the range of Rs 501.3-511.9 with declining open interest and volume.

PRICE DRIVERS

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

WAREHOUSE STOCKS

Exchange	Stock as on 08.06.07
MCX	171,233,600Kg

Spot Market Prices

Origin/Grade	Centre	08.06.07	07.06.07	Change
Mentha Oil	Sambhal	525	522	+3
	Chandausi	525	520	+5
	Rampur	526	525	+1
	Barabanki	505	500	+5

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TECHNICALS:

Long lower shadow of the candlestick shows good buying interest. Closing price is between the short term EMAs which indicate short term firmness. MACD is moving upward in negative region. Stochastic is moving upward in neutral region. 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	506	504	508.4	518	520

TRADE RECOMMENDATION

BUY MCX Mentha Oil June contract above 509 with target of 513, then 516. Put stop loss at 507. Trade cautiously with intraday outlook.

(in Rs/Kg)