



■ MENTHA

■ June 12th, 2007

SPOT MARKETS

The spot prices of Mentha Oil in most of the major markets remained unchanged during Monday's trade on normal demand against restricted fresh arrivals. Barabanki market further experienced a downward trend on the back of heavy supply against mild demand, while stood steady at Chanduasi, Sambhal and Rampur on subdued trading activity against normal arrival. Barabanki market received highest arrivals of 300 barrels, a high of 50 barrels than the Saturday's. The arrivals at Chandausi market are 250 barrels, and at Rampur and Sambhal, 200 barrel each. All major Mentha crop growing states expecting a higher production this year compare to the pervious year. Bihar is expected produce its all time high due to the significant increase in acreage of mentha crop. However, NE monsoon rains in Mentha growing regions may cause loss in Mentha oil recovery. Meanwhile, the fresh arrivals gradually picking up pace at most of the markets, the Mentha Oil prices are likely to decline further in the short to medium term.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. June contract opened weak at Rs.489.6 against the previous closing price of Rs. 492.3 and traded down initially testing a low of Rs 487.3. However contract recovered on increased buying interest and settled in the positive side at Rs 497.0. June contract traded in the range of Rs 487.3-498.6 with declining open interest and volume.

PRICE DRIVERS

1. Normal demand from locals as well as from exporters
2. Restricted 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 firmness in market. Closing price is below the short term EMA. MACD is moving slightly up in negative region, which shows decrease in bearish momentum. 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	494	492	497	507	509

TRADE RECOMMENDATION

BUY MCX Mentha Oil June contract above 497 with target of 502, then 505. Put stop loss at 494.5. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	11.06.07	09.06.07	Change
Mentha Oil	Sambhal	510	510	-
	Chandausi	512	512	-
	Rampur	515	515	-
	Barabanki	490	495	-5

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