



MENTHA

June 6th, 2007

SPOT MARKETS

The prices of Mentha Oil in some of the major markets remained same on subdued trading activity, while recovered slightly at the major markets of Chandausi and Sambhal on slight demand against restricted arrivals. Slight demand from locals and exporters witnessed during the Tuesday's trade. Further, all the markets expecting heavy fresh arrivals by the mid of June as the distillation process is in progress at most of the growing regions. Major markets like Sambhal, Chandausi and Rampur have received an arrival of 150 barrels of Mentha Oil each and Barabanki market witnessed the arrivals of 200 barrels. The price of the Mentha Oil is likely to decline further in short to medium term due to the pressure of fresh arrivals.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. June contract opened slightly firm at Rs.493.5 against the previous closing price of Rs. 493.4 and traded down initially testing a low of Rs 491.0. However, prices recovered thereafter on increased buying interest and settled in the positive side. June contract traded in the range of Rs 491.0-498.0 with declining open interest and volume.

PRICE DRIVERS

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

WAREHOUSE STOCKS

Exchange	Stock as on 04.06.07
MCX	1,89,944,950 Kg

Spot Market Prices

Origin/Grade	Centre	05.06.07	04.06.07	Change
Mentha Oil	Sambhal	517	516	+1
	Chandausi	516	510	+6
	Rampur	515	515	-
	Barabanki	495	495	-

TECHNICALS:

Charts are showing firmness in market. MACD and EMA indicate for short term weakness in market. Stochastic is about to make a bearish cross over 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	489	488	497.3	502	504

TRADE RECOMMENDATION

SELL MCX Mentha Oil June contract below 500 with target of 494, then 490. Put stop loss at 503. Trade cautiously with intraday outlook.

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