



■ MENTHA

■ June 16th, 2007

SPOT MARKETS

Mentha oil prices remained unmoved at majority of the major markets in the back of a good demand against tight arrivals, while improved marginally in Sambhal and Barabanki markets on good demand against restricted arrivals. Good demand from locals and exporters supported the prices. The daylong-uninterrupted rain in most of the Mentha growing regions resulted less arrivals on Friday's trading. The arrival at Chandausi market remained same as of the Thursday's, as the region is not disturbed by rain. All other major markets received less than half of Thursday's arrival because of the daylong rain. Samhal and Rampur markets received an arrival of 200 barrels each while Barabanki received the lowest arrival of 100 barrels. The uninterrupted rain over the Mentha growing regions has obstructed the recovery of Mentha crops from the field, which resulted shortage of Mentha crops in the distillation centres. Thus, some bullishness is expected in short term.

FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. June contract opened firm at Rs.507.9 against the previous closing price of Rs. 505.6 and traded up initially testing a high of Rs. 509.7. However, prices tumbled thereafter on increased selling pressure and settled at Rs.506.4. June contract traded in the range of Rs 503.4-509.7 with increasing open interest and volume.

PRICE DRIVERS

1. Good demand from the exporters
2. Limited fresh arrivals due to rainfall over U.P.
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 14.06.07
MCX	76,597,100Kg

Spot Market Prices

Origin/Grade	Centre	15.06.07	14.06.07	Change
Mentha Oil	Sambhal	522	519	+3
	Chandausi	520	520	-
	Rampur	522	522	-
	Barabanki	505	500	+5

TECHNICALS:

Long lower shadow of the candlestick showing good buying support at lower level. MACD and EMA indicate for short term firmness. Stochastic is moving upward in neutral region, which indicate for further firmness in market. 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	505	502	506.4	515	516

TRADE RECOMMENDATION

BUY MCX Mentha Oil June contract above 508 with target of 512, then 514. Put stop loss at 506. Trade cautiously with intraday outlook.

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