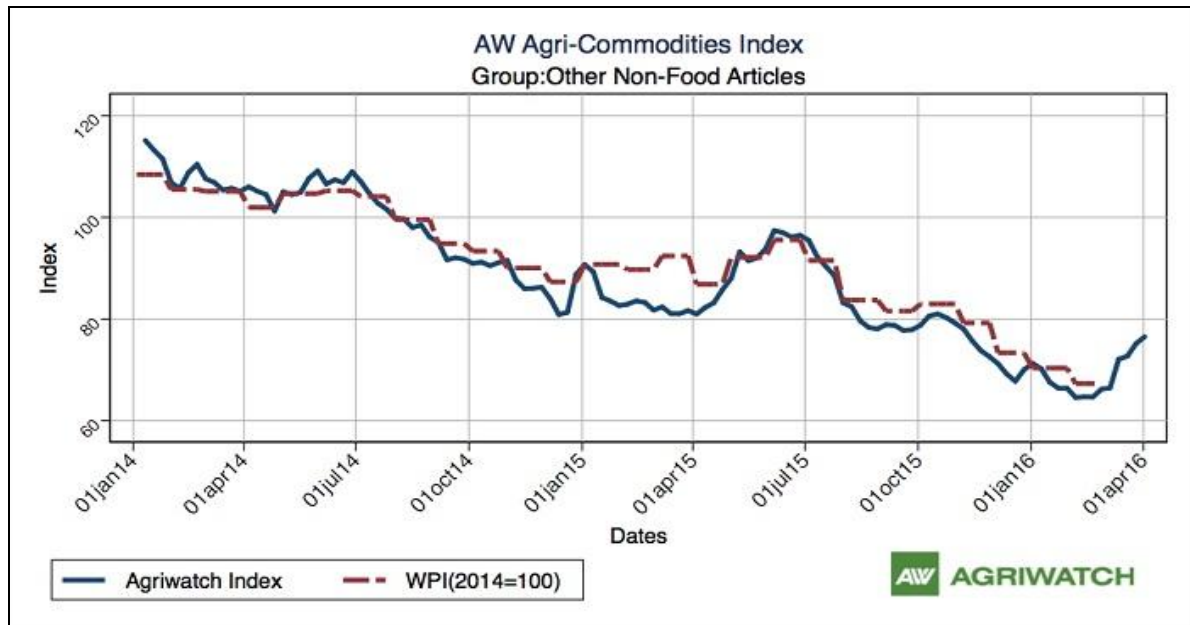


Mentha Monthly Research Report

Contents

- ❖ Agriwatch Agri Commodity Index: Other Non-Food Articles Index
- ❖ Executive Summary
- ❖ Recommendations
- ❖ Domestic Market Fundamentals
- ❖ Export Scenario
- ❖ Price Seasonality
- ❖ Technical Analysis (Futures Market)
- ❖ Mentha Oil Prices at Key Spot Markets

Agriwatch Agri Commodity Index – Other Non-Food Articles



The above chart depicts Agriwatch Agri Commodity Other non-food articles index. Other non-food articles Index rose 1.84% during the week ended Apr 2, 2016.

Executive Summary**Domestic Mentha Market Summary**

Mentha oil prices declined sharply last month due to weak demand as reported.

On the currency front, Indian rupee against USD closed at 66.24, appreciate 2.17 Rs compared to the previous month. Overall strengthening of Rupee in terms of dollar also discourages exports of menthe

Overall fundamentals are still not very good for mentha oil due to lack of real demand from local industries.

As far as Arrivals are concerned, Barabanki (U.P.) market reported lower arrivals (~3550 drums) compared to previous month ~4635 drums.

Similarly, In Sambhal market, arrivals have decreased sharply in March to 2035 drums compared to prior month arrivals data i.e.2775 drums.

We expect mentha oil prices to decline in the coming month.

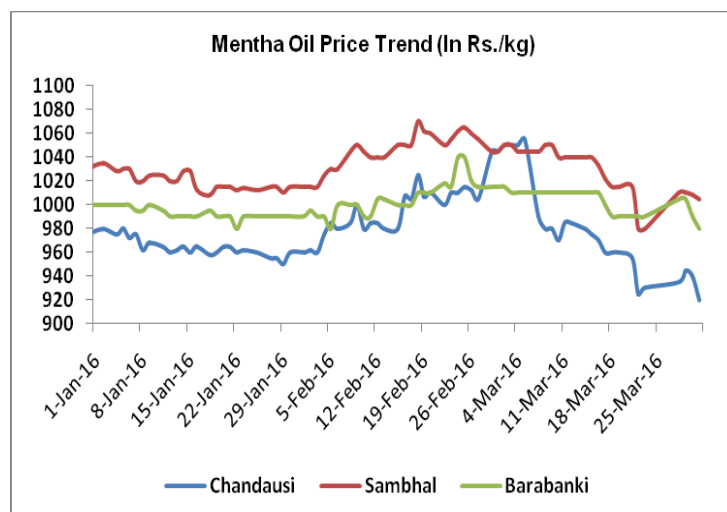
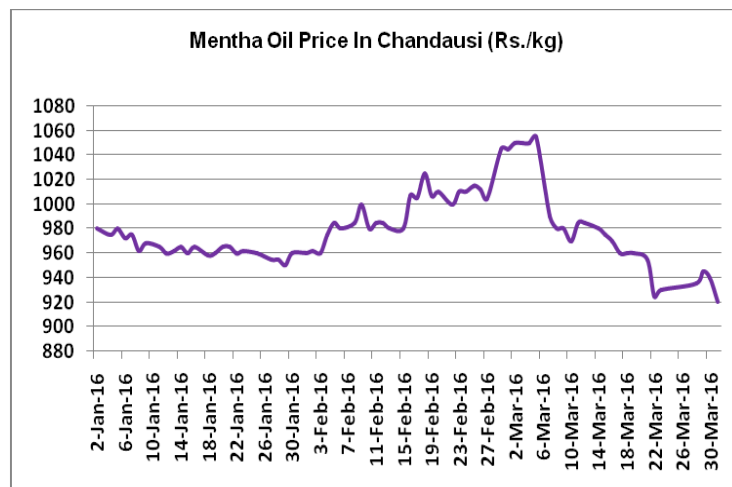
Recommendation:

Monthly Call - : Sell Mentha at 825 per kg in April MCX future platform with a target of Rs 765 per kg. Stop loss would be Rs. 849.

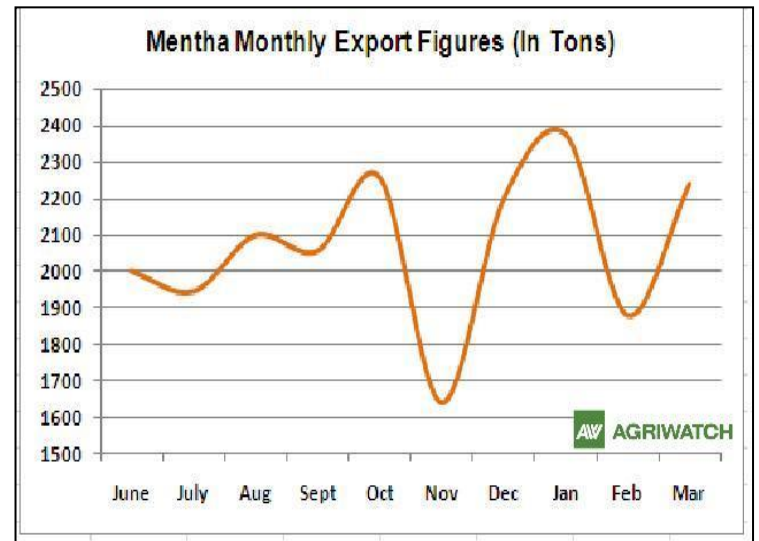
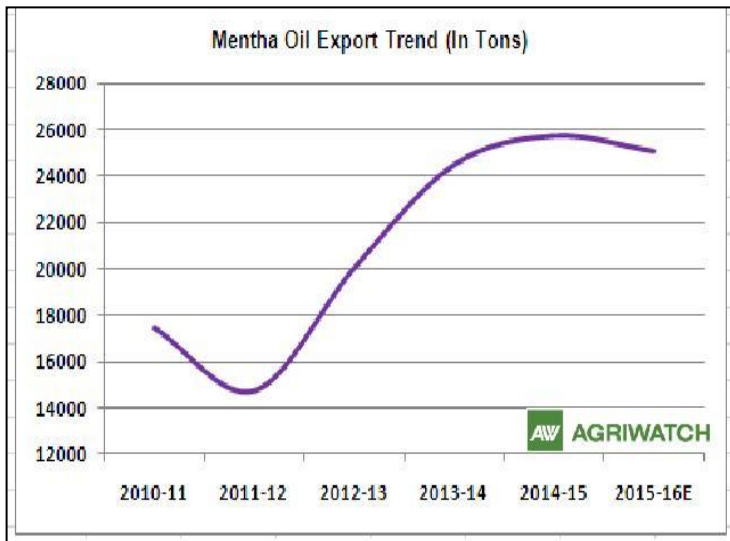
Mentha Oil Fundamental Analysis and Outlook:-

Domestic Front

- Mentha oil prices declined in key markets last month followed by weak demand.
- In the month of March 2016, mentha oil monthly average prices in Chandausi declined during the month by 2% compared to prior month and settled at Rs. 979 per kg. Lower demand of mentha oil and reports of good sowing of mentha in UP and Bihar pressurize the prices.
- According to trade estimates, production of menthol likely to be around 40000 tons for 2016-17 which earlier was 32000 tons in 2015-16. Expected higher acreage in Barabanki and Bihar will led the production up this year.
- Farmers have shown interest in sowing mentha oil this marketing year 2016-17 in Barabanki. According to the trade sources, around 10% increase in acreage expected for Mentha crop in Barabanki. Increasing trend of Chin kranti variety of Mentha in the district witnessed which provide good yields and quality to the farmers as reported. Farmers prefer Mentha over tomato (Substitute crop) this season.
- However, acreage is likely to drop of mentha in Sambhal and Chandausi as farmers are diverting towards maize as reported.
- We expect mentha oil prices to trade downwards in the coming month.



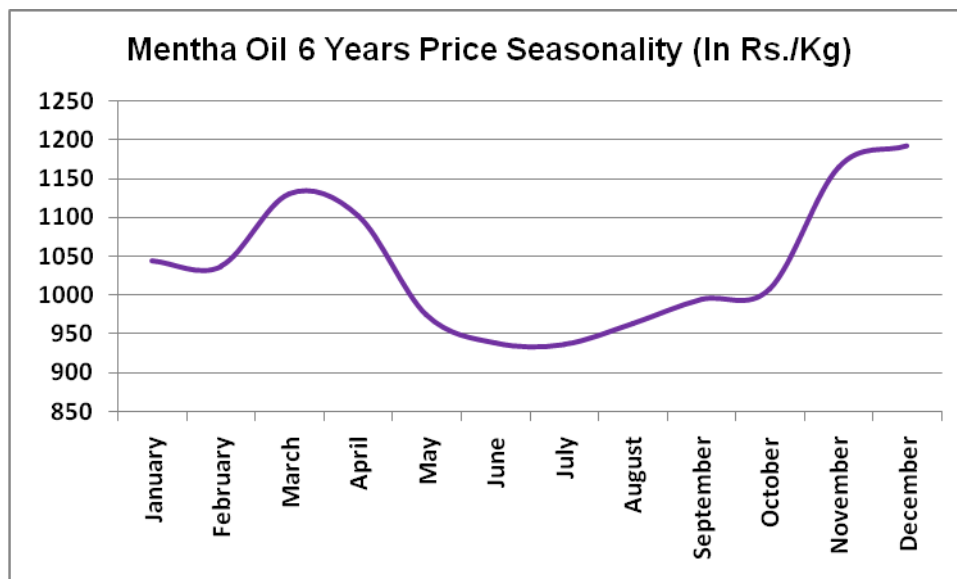
Export Scenario



On export front, mentha products export demand improved slightly compared to prior month. India has exported 2239.5 tons of mentha products) in the month of March 2016 up 19.2% compared to last month.

Recent month export figures takes the overall menthaA products export to 20687.3 tons in 2015-16 from the period between June- March. We expect mentha product export will reach 25087 tons for the marketing year 2016-17.

Mentha Oil Price Seasonality



As seen in the above chart, prices of mentha oil start declining from mid of February and continue its southward movement till June. After June, prices start rising with arrivals of new crop and continue till December.

Currently, spot prices are following the existing price seasonality and prices are trading lower as reported.

Technical Analysis (Mentha Oil)

Commodity: Mentha Oil
Contract: C1

Exchange: MCX

Mentha Oil (Continuous Chart)



Technical Commentary:

- Mentha oil prices are currently moving in a downtrend.
- Prices are likely to test 760 per kg in the coming weeks.
- RSI is hovering near to neutral region.
- Last candlestick depicts bearishness.

Strategy: Sell

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Mentha	MCX	C1	660	732	829.7	875	895
Monthly Trade Call			Call	Entry	T1	T2	SL
Mentha	MCX	C1	Sell	Below 825	785	765	849

Mentha Prices at Key Spot Markets
Mentha Oil Monthly Average Price Comparison

Commodity	Center	Mentha Oil (In Rs./Kg)		Change
Mentha Oil		Mar'16	Feb'16	
	Chandausi	979	995	-16
	Sambhal	1029	1045	-16
	Barabanki	1004	1005	-1
	Bareilly	945	960	-15
	Rampur	1026	1044	-18

Commodity	Center	DMO		Change
DMO		Mar'16	Feb'16	
	Chandausi	732	786	-54
	Sambhal	705	751	-46

Commodity	Center	Flakes		Change
Flakes		Mar'16	Feb'16	
	Chandausi	1057	1086	-29
	Sambhal	1066	1078	-12

Commodity	Center	Crystal		Change
Crystal		Mar'16	Feb'16	
	Chandausi	1090	1127	-37
	Sambhal	1110	1114	-4

Mentha Oil Monthly Cumulative Arrival Comparison

Commodity	Center	Mentha Oil Arrival (In Drums)		Change
Mentha Oil		Mar'16	Feb'16	
	Chandausi	850	NA	-
	Sambhal	2035	2775	-740
	Barabanki	3550	4635	-1085
	Bareilly	24	31	-7
	Rampur	107	131	-24
	Total	6566	7272	-706



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>

© 2016 Indian Agribusiness Systems Pvt Ltd.