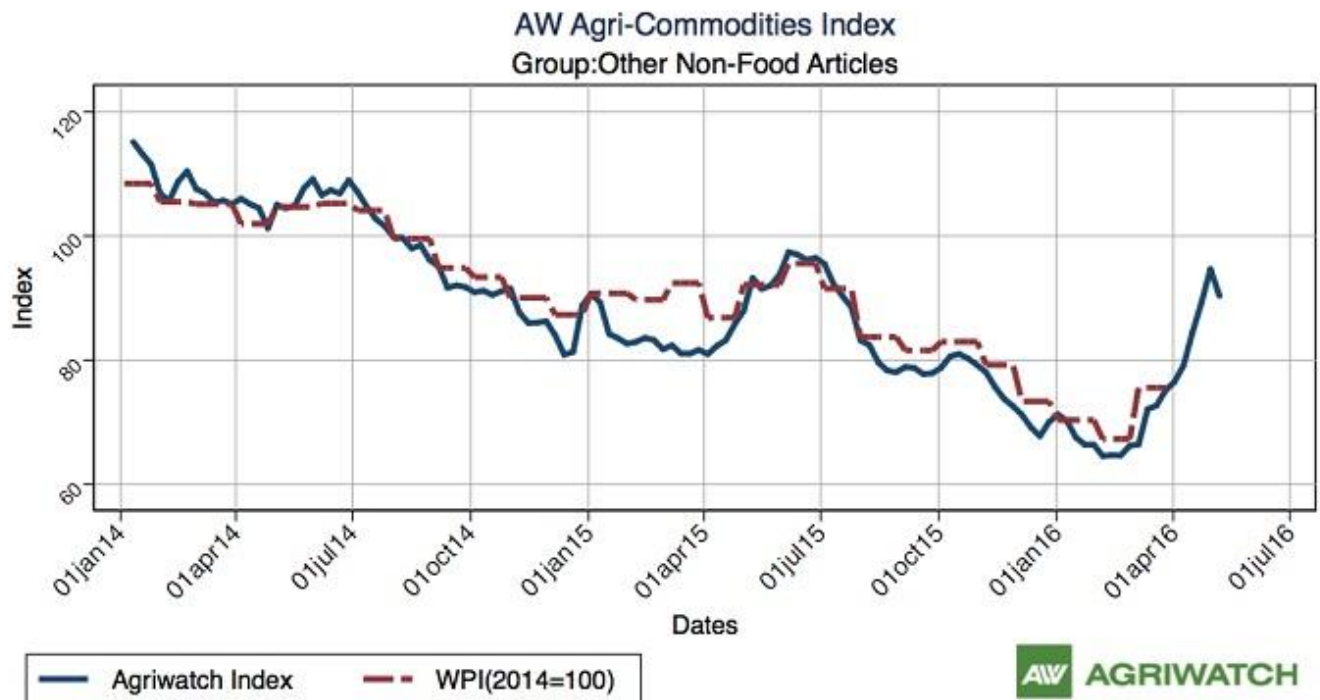


# Mentha Monthly Research Report

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### 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 declined 4.56% during the week ending on May 7<sup>th</sup>, 2016.

**Executive Summary****Domestic Mentha Market Summary**

*Mentha oil prices declined sharply last month owing to weak fundamentals.*

*On the currency front, Indian rupee against USD closed at 66.33, depreciate 0.08 Rs compared to the previous month. Overall strengthening of Rupee in terms of dollar also discourages exports of mentha*

*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 slightly higher arrivals (~3650 drums) compared to previous month ~3550 drums.*

*Similarly, In Sambhal market, arrivals have increased in April to 2100 drums compared to prior month arrivals data i.e.2035 drums.*

*We expect mentha oil prices to stay in range in the coming month.*

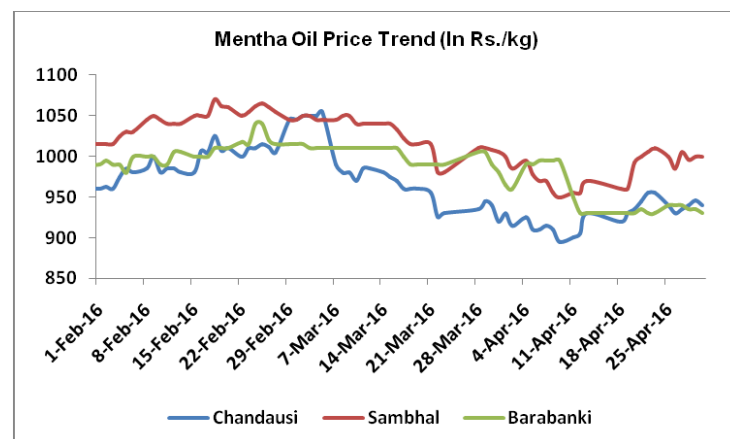
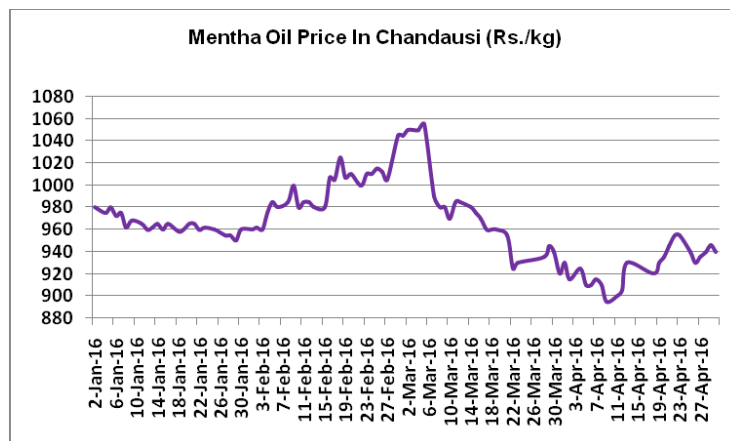
**Recommendation:**

*Monthly Call - : Buy Mentha at 840 per kg in May MCX future platform with a target of Rs 900 per kg. Stop loss would be Rs. 804.*

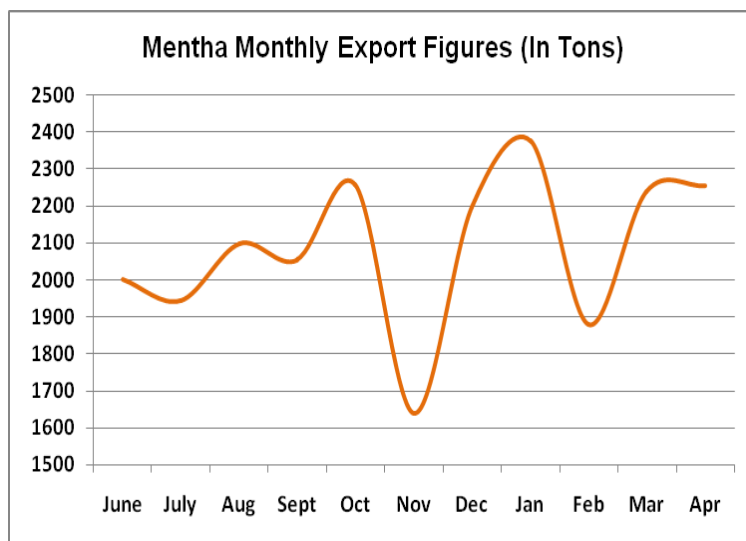
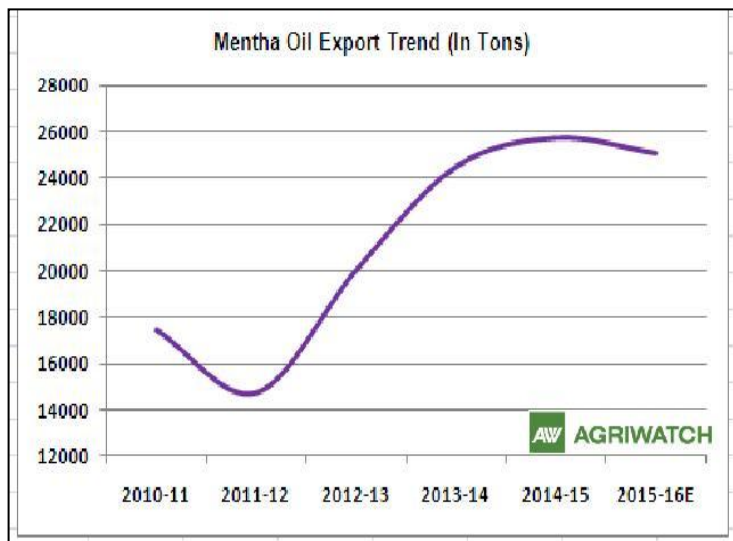
## Mentha Oil Fundamental Analysis and Outlook:-

### Domestic Front

- Mentha oil prices declined in key markets last month followed by weak demand.
- In the month of April 2016, mentha oil monthly average prices in Chandausi declined during the month by 5% compared to prior month and settled at Rs. 926 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 in a range in the coming month.



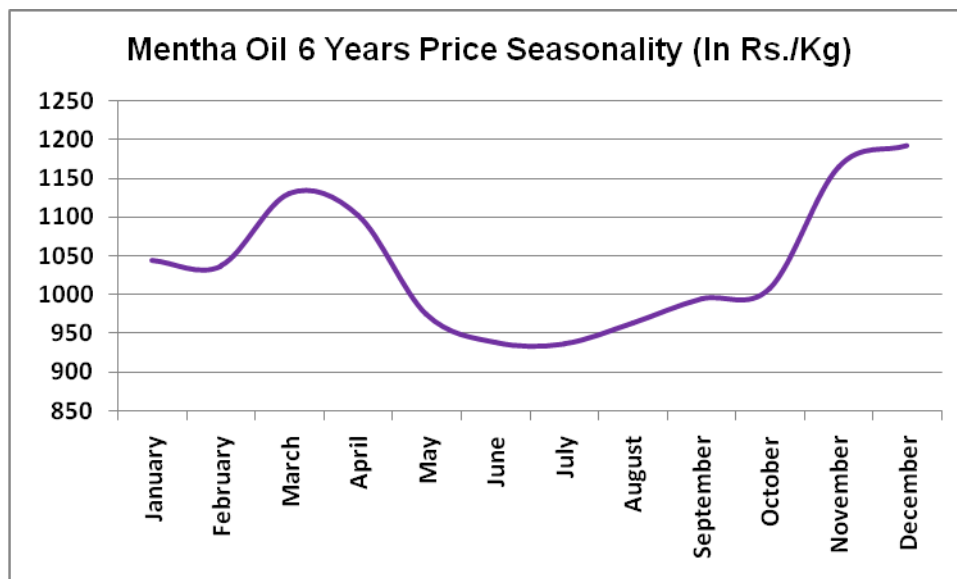
## Export Scenario



On export front, mentha products export demand improved slightly compared to prior month. India has exported 2255 tons of mentha products in the month of April 2016 up 0.7% compared to last month.

Recent month export figures takes the overall mentha products export to 22944.2 tons in 2015-16 from the period between June to April.

## 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.
- RSI is hovering near to neutral region.
- Last candlestick depicts bullishness.
- Bullish Flag pattern is emerging on Daily charts.

#### Strategy: Buy

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Mentha	MCX	C1	732	765	829.7	940	-
Monthly Trade Call			Call	Entry	T1	T2	SL
Mentha	MCX	C1	Buy	Above 840	900	930	804

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

Commodity	Center	Mentha Oil		Change
Mentha Oil		April'16	Mar'16	
	Chandausi	927	979	-52
	Sambhal	982	1029	-47
	Barabanki	950	1004	-54
	Bareilly	906	945	-39
	Rampur	984	1026	-42

Commodity	Center	DMO		Change
DMO		April'16	Mar'16	
	Chandausi	703	732	-29
	Sambhal	630	705	-75

Commodity	Center	Flakes		Change
Flakes		April'16	Mar'16	
	Chandausi	1007	1057	-50
	Sambhal	1032	1066	-34

Commodity	Center	Crystal		Change
Crystal		April'16	Mar'16	
	Chandausi	1040	1090	-50
	Sambhal	1085	1110	-25

**Mentha Oil Monthly Sum Arrival Comparison**

Commodity	Center	Mentha Oil Arrival		Change
Mentha Oil		April'16	Mar'16	
	Chandausi	NA	850	-
	Sambhal	2100	2035	65
	Barabanki	3650	3550	100
	Bareilly	56	24	32
	Rampur	104	107	-3
	<b>Total</b>	<b>5910</b>	<b>6566</b>	<b>-656</b>



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