

**TECHNO FUNDA REPORT ON**

15 October 2015

# **Mentha Oil futures**

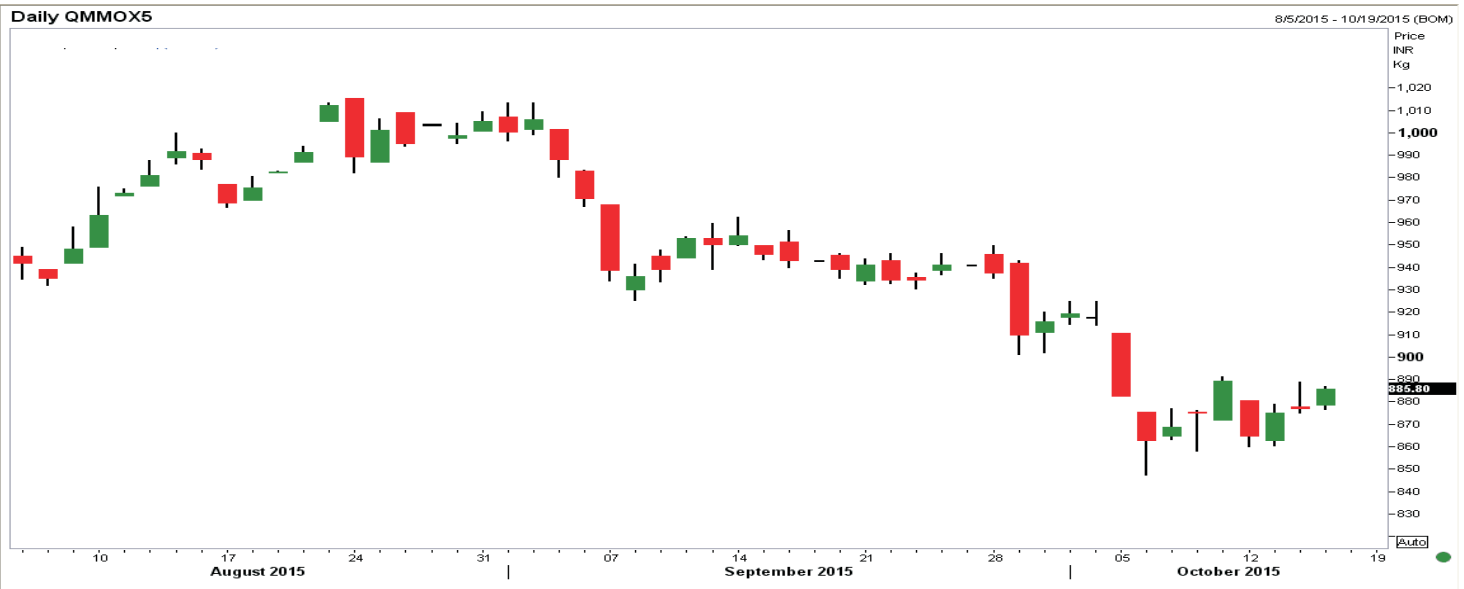
**November**



**Presented by:  
Subhranil Dey**

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## TECHNO FUNDA REPORT ON MENTHA OIL FUTURES (NOVEMBER)– BUY



Source: Reuters

**Recommendation:** Investors are advised to take fundamental positional BUY call in Mentha Oil futures (November) at current market price for the target of 930 in long-term, with a closing stop loss below 850 levels.

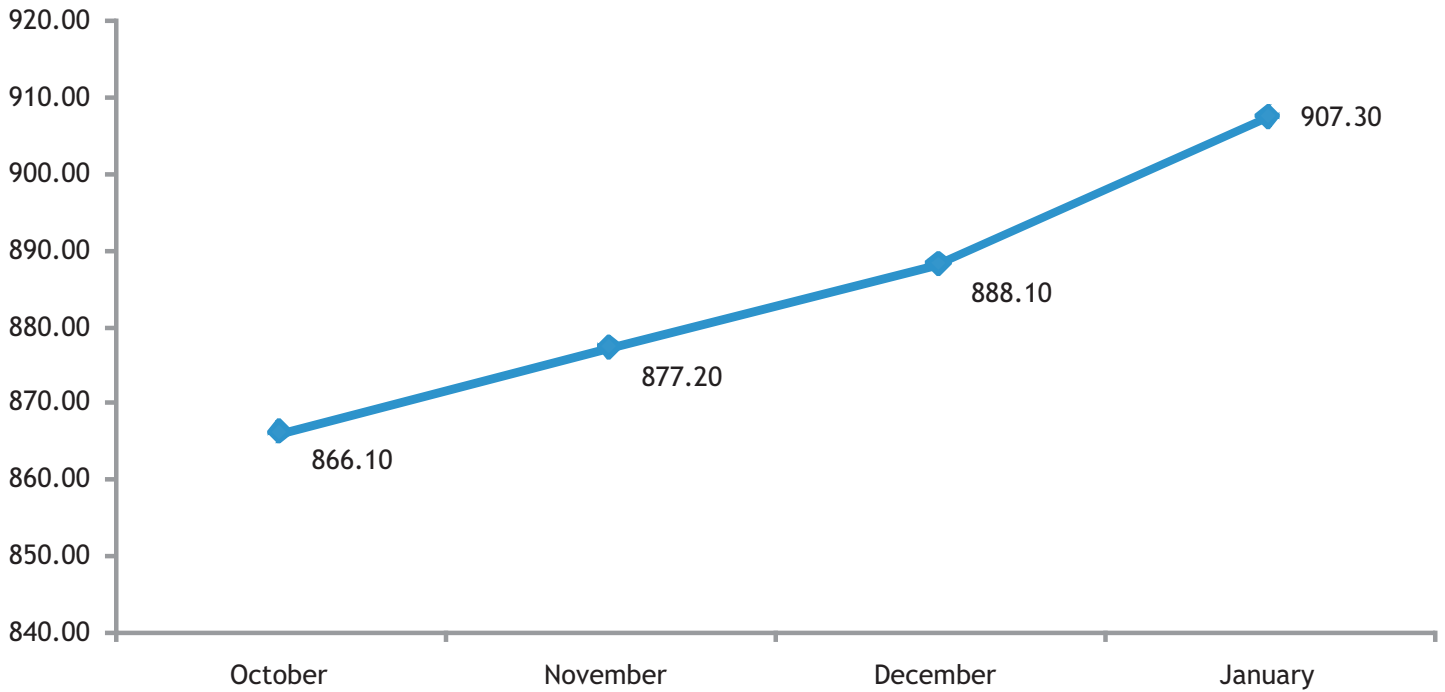
### Note:

- These long term fundamental calls are for duration of one to three weeks time frame and do not confuse these with intraday calls.
- It is assumed that investor takes position in two lots and square off position in one lot on partial profit booking and trail stop loss to buying/selling price for second lot.

### Fundamentals

- Prices of mentha oil historically increase in October-December due to firm demand from pharmaceutical.
- This season it is estimated the total production in the range of 35000-37000 tonnes, which is likely to be reducing to 30000 tonnes. The overall production is still 70% lower from the previous year of 50,000 tons.
- Mentha oil prices are gaining in various markets of major producing state Uttar Pradesh due to local demand.
- Steady to firm sentiments recorded in all spot markets of mentha oil.
- There is demand from consuming industries at spot markets and tight supplies from producing belts.
- India's mentha oil has its very high considering & it has extensive usage for a wide range of products within the namely hygiene products, FMCG, pharmaceutical, perfumery and confectionery.
- Demand for mint and mint products is expected to continue to rise. Whilst demand is not growing in Europe and China, overall worldwide growth of the broad category of fast moving consumer goods (FMCG) in which mint is used – cosmetics (toothpaste, mouthwash, shaving creams, shampoos etc.), chewing gums, household cleaning products etc. – are continuing to show strong growth.
- Significant part of Indian production is exported in the form of oil and various derivative products of mentha oil like menthol, crystals etc.

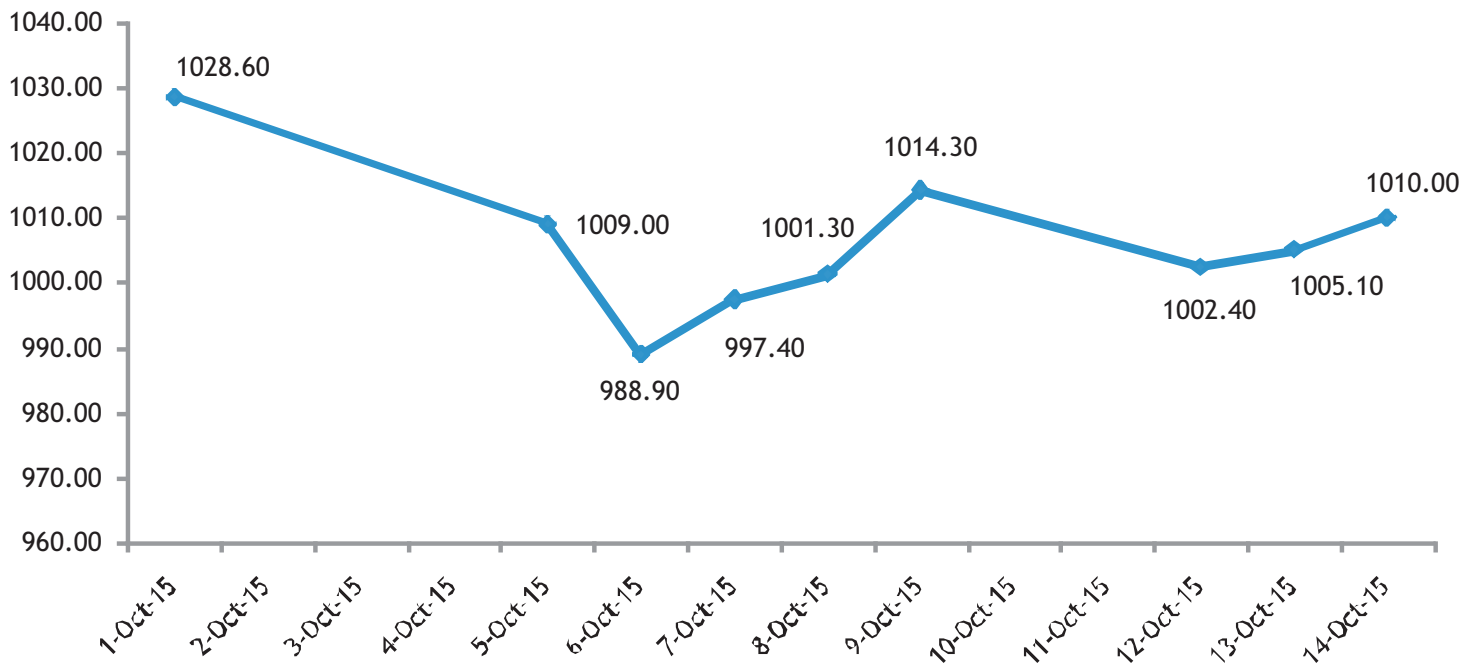
### Forward curve of Mentha oil futures



Closing prices as on 14 October 2015

Source: MCX

### Spot price of mentha oil per kg (CHANDAUSI)



Closing prices as on 14 October 2015

Source: MCX

*For further any queries, please contact*

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SMC Global Securities Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, a further public issue of its equity shares and has filed a Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI). The DRHP is available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and the website of the Book Running Lead Managers i.e. Tata Securities Limited at [www.tatacapital.com](http://www.tatacapital.com) and IL&FS Capital Advisors Limited at [www.ilfscapital.com](http://www.ilfscapital.com). Investors should note that investment in equity shares involves a high degree of risk. For details please refer to the DRHP and particularly the section titled Risk Factors in the Draft Red Herring Prospectus.

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