

SPECIAL REPORT ON

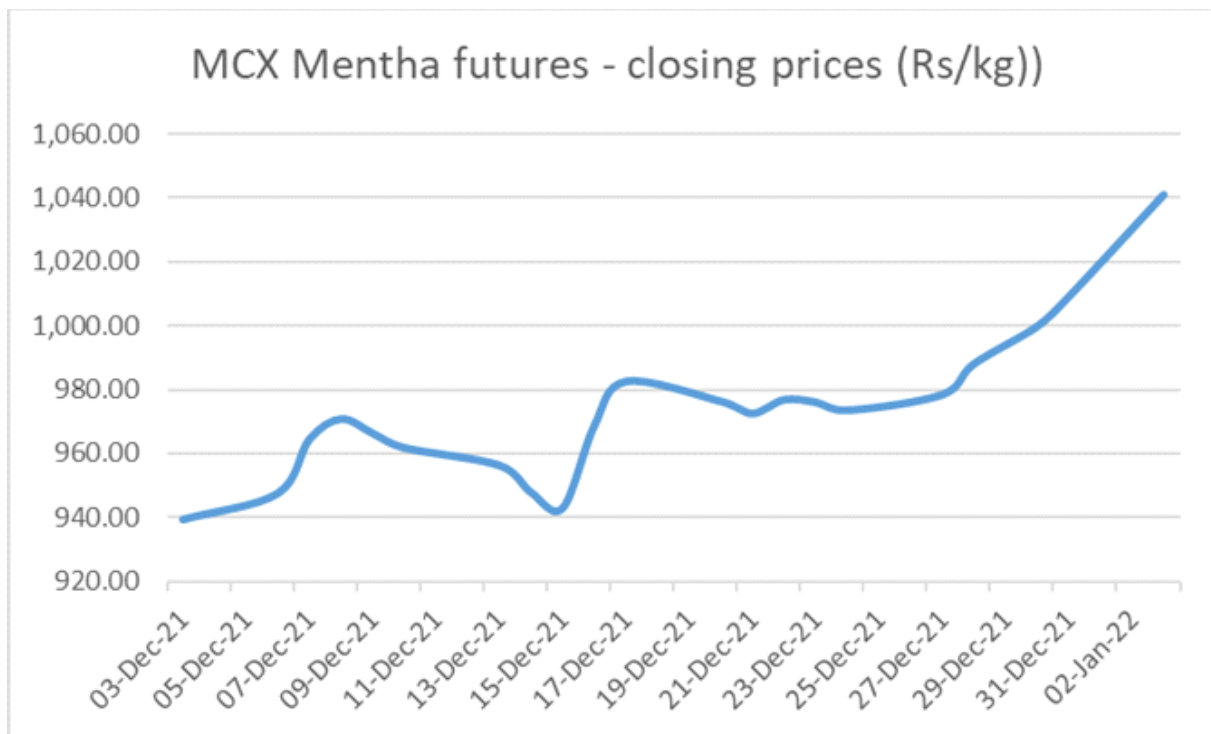
MENTHA OIL



Moneywise. Be wise.

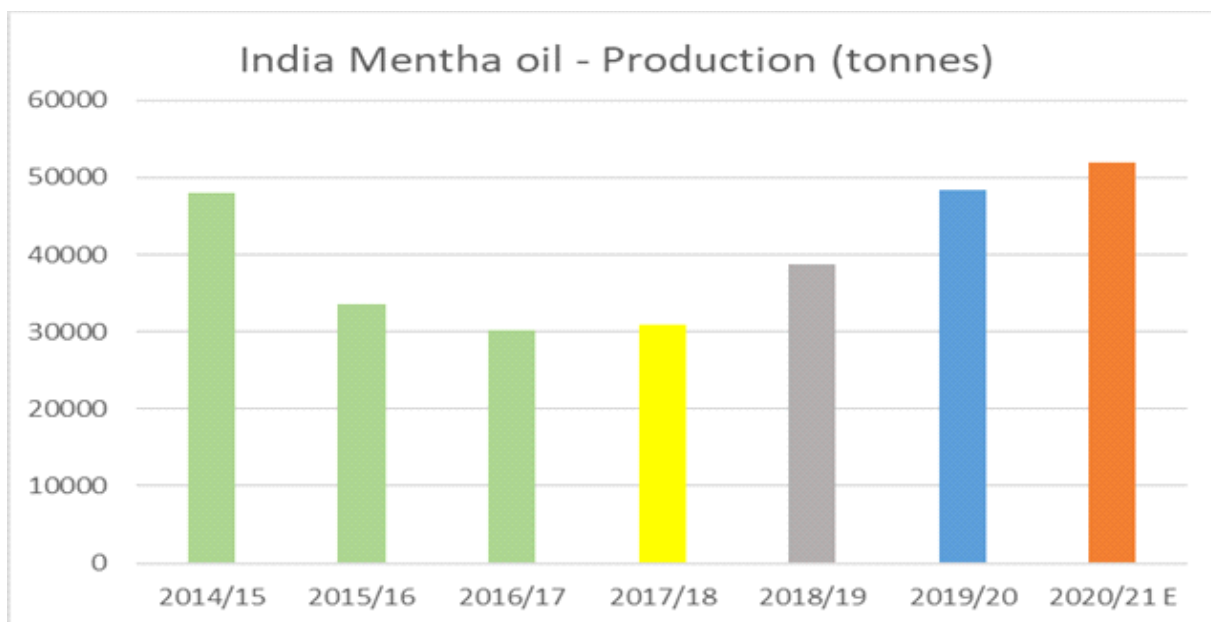
MENTHA OIL

Mentha oil Jan prices surged about 12% in last one month supported by increase in demand from its derivatives like mentha oil, crystals and essential oils. Most of the pharma companies as wells as FMCG production like tooth paste, cough syrup and sanitizer companies are procuring mentha products in very large quantities due to increasing cases of new corona variant.



Mentha Oil Production

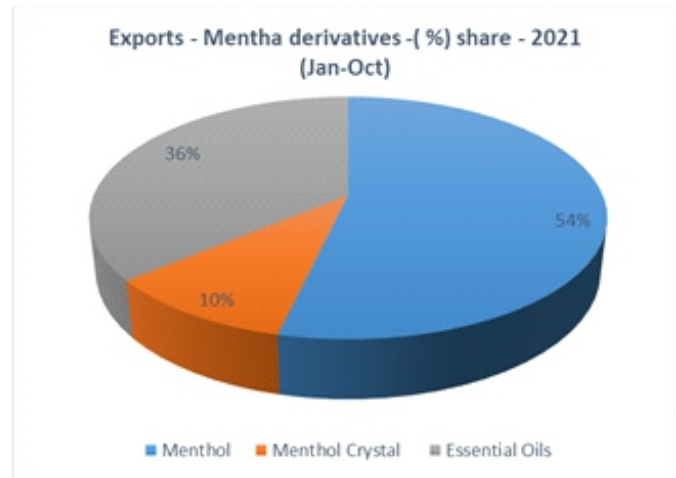
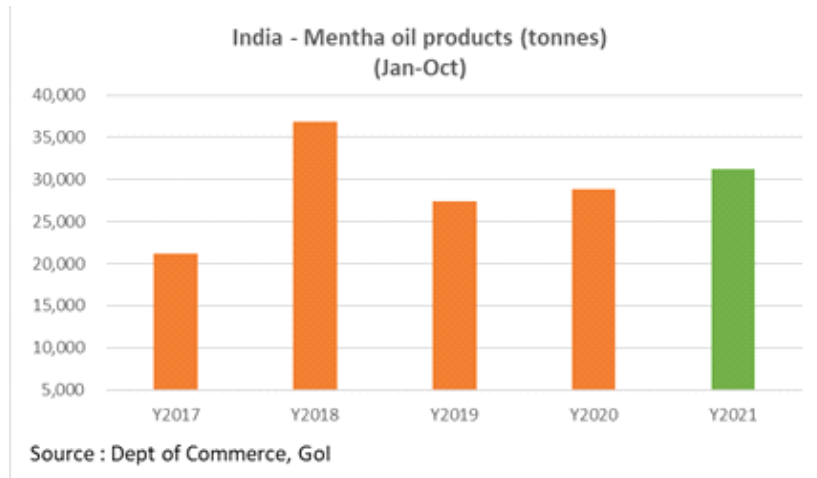
As per the estimates published by the National Horticultural Board, the mentha production is increasing in the country from 33,000 tonnes in 2017/18 to more than 47,000 tonnes in 2020/21. As per the market estimates the production in 2020/21 have crossed 50,000 tonnes, which have created huge inventories in the country keeping the prices under pressure. New season sowing of mentha will be commencing during the first week of February while transplantation in the field is done in March-April and harvesting starts in May – June.



Source: National Horticulture Board

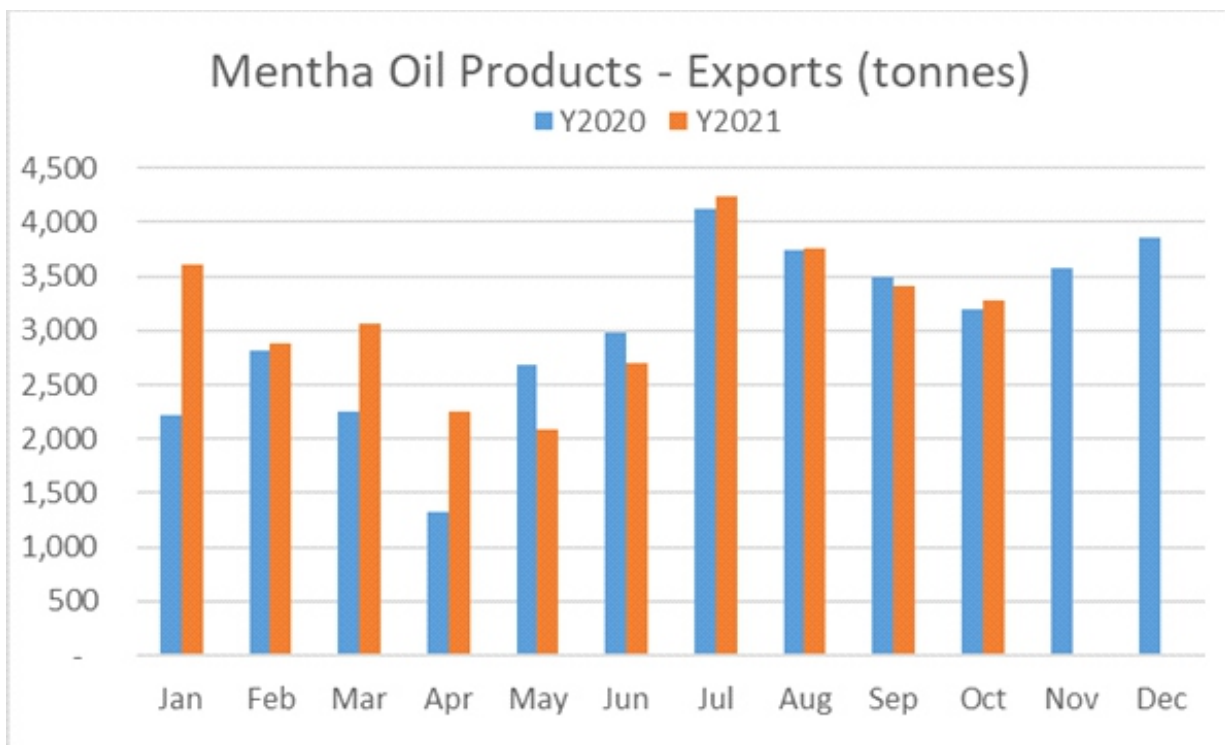
Exports increased 2021/22

As per the data release by Dept of Commerce, Gol, mentha product exports during Apr-Oct pegged at 21,700 tonnes, up by 0.68% compared to previous year. The exports have surged during the Nov-Dec so as the domestic demand. In the calendar year 2021, mentha derivatives exports surged by more than 8% at 31,270 tonnes compared to 28,840 tonnes in previous year same period



Exports in 2020/21

- China is the main importer of mentha derivatives from the country followed by the US, European Union and Singapore. China imports of mentha oil jumped more than 21% in 2020/21 to 14,600 tonnes over previous year while demand from other countries remain stagnant during the pandemic period as per the data published by Commerce Ministry.
- In 2020/21, India had exported closed to 20,000 tonnes worth Rs. 2400 crores of Mentha oil which is higher by 17% in terms of volume but 9.4% lower by value due to lower prices in the country.
- Peppermint exports to the US jumped by 27% on year in 2020/21 to 1225 tonnes while China imports increased by 17.5% to 460 tonnes.



Outlook

Fundamental

Going forward, mentha oil stocks will be expected to be similar to last year between 2000-3000 tonnes while the output most likely to be dependent on the area planted and weather situations during the growing and harvesting stages. Exports will be on higher side as the prices have corrected to 4-year lows in 2021. Similarly, as the domestic demand picking-up that will be waning the stock levels with the traders as new season is 5-month away. We expect the prices of mentha oil to be positive towards 1200 levels.

Technical

On weekly chart, Mentha oil trading in the range of 930-1100 levels. After a short period of consolidation, the prices have broken the short-term resistance 990 level and well sustained above it. Current chart pattern is showing 930 as the short-term support and trading below the 18 days (1100) simple moving averages, so prices could take resistance near this level in the next few days. MACD is trading in bullish territory with bearish crossover which suggests still room for some correction. On the other hand, if this counter witnesses a bounce back from 1100 and sustains above it, then we may see a possible reversal towards 1170/1230 levels for short term basis. Overall, the counter may trade with bullish bias and buying on dips suggested from the support levels.



Vandana Bharti (AVP - Commodity Research)
Ritesh Kumar Sahu - Research Analyst

Boardline : 011-30111000 Extn: 625
Boardline : 011-30111000 Extn: 674

vandanabharti@smcindiaonline.com
riteshkumarsahu@smcindiaonline.com

E-mail: smc.care@smcindiaonline.com



Corporate Office:

11/6B, Shanti Chamber,
Pusa Road, New Delhi - 110005
Tel: +91-11-30111000
www.smcindiaonline.com

Mumbai Office:

Lotus Corporate Park, A Wing 401 / 402 , 4th Floor ,
Graham Firth Steel Compound, Off Western
Express Highway, Jay Coach Signal, Goreagon
(East) Mumbai - 400063
Tel: 91-22-67341600, Fax: 91-22-67341697

Kolkata Office:

18, Rabindra Sarani, Poddar Court, Gate No-4,
5th Floor, Kolkata-700001
Tel.: 033 6612 7000/033 4058 7000
Fax: 033 6612 7004/033 4058 7004

SMC Global Securities Ltd. (hereinafter referred to as "SMC") is regulated by the Securities and Exchange Board of India ("SEBI") and is licensed to carry on the business of broking, depository services and related activities. SMC is a registered member of National Stock Exchange of India Limited, Bombay Stock Exchange Limited, MSEI (Metropolitan Stock Exchange of India Ltd.) and M/s SMC Comtrade Ltd is a registered member of National Commodity and Derivative Exchange Limited and Multi Commodity Exchanges of India and other commodity exchanges in India. SMC is also registered as a Depository Participant with CDSL and NSDL. SMC's other associates are registered as Merchant Bankers, Portfolio Managers, NBFC with SEBI and Reserve Bank of India. It also has registration with AMFI as a Mutual Fund Distributor.

SMC is a SEBI registered Research Analyst having registration number INH100001849. SMC or its associates has not been debarred/ suspended by SEBI or any other regulatory authority for accessing /dealing in securities/commodities market.

The views expressed by the Research Analyst in this Report are based solely on information available publicly available/internal data/ other reliable sources believed to be true. SMC does not represent/ provide any warranty expressly or impliedly to the accuracy, contents or views expressed herein and investors are advised to independently evaluate the market conditions/risks involved before making any investment decision. The research analysts who have prepared this Report hereby certify that the views /opinions expressed in this Report are their personal independent views/opinions in respect of the subject commodity.

DISCLAIMER: This Research Report is for the personal information of the authorized recipient and doesn't construe to be any investment, legal or taxation advice to the investor. It is only for private circulation and use. The Research Report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. No action is solicited on the basis of the contents of this Research Report. The Research Report should not be reproduced or redistributed to any other person(s) in any form without prior written permission of the SMC. The contents of this material are general and are neither comprehensive nor inclusive. Neither SMC nor any of its affiliates, associates, representatives, directors or employees shall be responsible for any loss or damage that may arise to any person due to any action taken on the basis of this Research Report. It does not constitute personal recommendations or take into account the particular investment objectives, financial situations or needs of an individual client or a corporate/s or any entity/s. All investments involve risk and past performance doesn't guarantee future results. The value of, and income from investments may vary because of the changes in the macro and micro factors given at a certain period of time. The person should use his/her own judgment while taking investment decisions.

Please note that SMC its affiliates, Research Analyst, officers, directors, and employees, including persons involved in the preparation or issuance of this Research Report: (a) from time to time, may have long or short positions in, and buy or sell the commodity thereof, mentioned here in or (b) be engaged in any other transaction involving such commodities and earn brokerage or other compensation or act as a market maker in the commodities discussed herein(c) may have any other potential conflict of interest with respect to any recommendation and related information and opinions. All disputes shall be subject to the exclusive jurisdiction of Delhi High court. All disputes shall be subject to the exclusive jurisdiction of Delhi High court.