

MENTHA OIL

14th November 2006

SPOT MARKETS

Mentha oil spot markets were experiencing bullish sentiments. Spot's prices were moving collateral with MCX, as MCX dominates the spot prices. Light buying was seen in Chandusi from exporters, while stockiest were releasing their stocks. Rampur noted presence of exporters and adequate arrivals. Barabanki was introducing stocks while demand was seen from exporters and traders. Prices may shoot up in spot markets anticipating exporters approaching spot markets. Situation is likely to improve on international demand.

FUTURES MARKETS

November contract at MCX opened in a bullish breakthrough after a continuous bearish mood. Bullish run continued throughout the day on anticipating further demand in the coming trading session. Traders are anticipating that markets should move in a range bound territory. Few traders reported that it's a speculative movement in future markets. However November contract closed in a bullish node while trading between Rs.590-611 and December contract traded between the range of Rs.603.4-625.7.

PRICE DRIVERS

1. Exporters are approaching the markets
2. Adequate arrivals in spot markets
3. Trader's participation in the spot market
4. Increasing speculative activity

TECHNICALS

Charting candlesticks is a bullish pattern. MACD signaled markets may break from bearish mood if 12 day line cuts the 9 day. RSI index is indicating bullish driven markets in the early trading session as RSI line cuts the MA line from below. Volume and open interest was comparatively high.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-November Contract	578	567	611.3	620	633

TRADE RECOMMENDATION:

Buy December contract futures at stop loss of 610

Spot Market Prices

Origin/Grade	Center	13.11.06	11.11.06	Rs/Kg Change
Mentha Oil	Sambhal	622	605	17.00
Mentha Oil	Chandausi	625	610	15.00
Mentha Oil	Rampur	608	590	18.00
Mentha Oil	Barabanki	615	595	20.00

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