

## MENTHA OIL

1<sup>st</sup> December 2006

### SPOT MARKETS

Spot markets witness marginally bearish sentiments but prices improved with MCX trading bullish in the closing hours. Chandusi was experiencing fewer buyers with adequate arrivals and moderate sellers. Sambhal was in active mood with exporters approach, in presence of arrivals. Less positive correlation was examined between MCX and spot market was noted, indicating firmness in spot markets. Sambhal experienced intraday low of Rs.656 when markets were bearish. Rampur was experiencing adequate arrivals but local buyers were few throughout the day. Barabanki witnessed less arrival with adequate buyers and the presence of exporters was felt. Overall traders are anticipating firm arrivals in the coming trading session.

### FUTURES MARKETS

December contract at MCX opened in a bearish tone and in the later hours bullish force was seen which pulled the market to the high of Rs.673.4. Speculative forces prevailing in the future markets. Traders are anticipating markets to trade in range bound area. December contract traded in the range of Rs.652.5-673.4 January contract traded between the range of Rs.666.9-688.3.

### PRICE DRIVERS

1. Exporters are approaching the markets
2. Higher participation in spot markets
3. Speculation cannot be ignored.

### TECHNICALS

Candlesticks are indicating bullish pattern. However MACD signaled convergence between MACD and DAV, indicating possible rise in prices. RSI index indicating possibility of trend reversal. Volume was high and open interest was low. Prices decline below 9 day moving averages. Oscillators indicated trend to be tapering downwards.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	657	644	670	678	686

### TRADE RECOMMENDATION:

**Safe strategy:** Buy near 666 with stop loss near 674

**Risky Strategy:** Sell near 675

### Spot Market Prices

Origin/Grade	Center	30.11.06	29.11.06	Rs/Kg Change
Mentha Oil	Sambhal	670	661	9.00
Mentha Oil	Chandusi	670	658	12.00
Mentha Oil	Rampur	662	652	10.00
Mentha Oil	Barabanki	655	643	12.00

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