

MENTHA OIL

17th November 2006

SPOT MARKETS

Mentha oil spot markets continued to witness bullish behavior. Chandusi experienced adequate arrivals in the presence local buyers. Sambhal received demand from exporters, with equilibrium arrivals from stockiest, as farmers were approaching with fewer arrivals. Arrivals in Rampur were noted to be less with adequate exporters; prices may further rise in Rampur expecting exporters approach. Exporters were approaching Barabanki while stockiest and farmers were supporting the need. Prices may shoot up in (medium term) spot markets anticipating exporters approaching spot markets. Situation is likely to improve on international demand.

FUTURES MARKETS

November contract at MCX continued to trade with bullish sentiments. Futures were moving collateral with the spots as both the markets were in a bullish tone. Expectations are high between traders as exporters will drive the markets. However November contract closed in a bullish node while trading between Rs.621.2-637.4 and December contract traded between the range of Rs.636.1-653.3.

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 bullish indicating slightly positive trend in the coming trading session. MACD signaled bullish movement as 12 day line cuts the 9 day. RSI index is indicating bullish driven markets, but RSI is roving in overbought region. Volume and open interest was quite high. Strategy here respect to RSI would be to hold position with a stop loss.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	633	603	649	659	680

TRADE RECOMMENDATION:

Hold December contract futures at stop loss of 626

Spot Market Prices

Origin/Grade	Center	16.11.06	15.11.06	Rs/Kg Change
Mentha Oil	Sambhal	648	640	8.00
Mentha Oil	Chandausi	648	636	12.00
Mentha Oil	Rampur	640	635	5.00
Mentha Oil	Barabanki	640	630	10.00

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2005 Indian Agribusiness Systems Pvt. Ltd.