

MENTHA OIL

25th November 2006

SPOT MARKETS

Spot markets prices experienced mixed sentiments with active participation from traders. Chandusi continued to witness mixed sentiments, with approaching demand from local buyers and exporters. Sambhal was also not away from mixed sentiments with price volatility of Rs.672-687 and settled at Rs.683. However Sambhal experienced active exporters and local participation. Rampur continued to experience adequate arrivals in the presence of exporters. Active participation from locals and exporters is being witnessed in Barabanki; reported by traders. Overall traders are anticipating firm arrivals in the coming trading session. Prices may shoot up in (medium term) spot markets anticipating exporters approaching spot markets.

FUTURES MARKETS

December contract at MCX opened in a bearish mode with mixed sentiments in spot markets. Correlated movements are seen in spot and future prices. Trader's participation in the markets cannot be ignored with active movements in prices. December contract traded with in the range of Rs.671.5-686. while January contract traded between the range of Rs.685-698.9. However Markets are seen to open in range bound, but speculation cannot be ignored.

PRICE DRIVERS

1. Exporters are approaching the markets
2. Higher participation in spot markets
3. Increasing speculative activity.

TECHNICALS

Candlesticks are indicating wait and watch pattern. MACD signaled bullish, but a firm phase is needed for further movement. RSI index is indicating bullish driven markets, but RSI continued to rove in overbought region. Volume and open interest continued to be high. Prices were above the averages. Oscillators indicated trend to be tapering downwards.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	670	663	679.1	688	723

TRADE RECOMMENDATION:

Safe strategy: Go short at current level.

Risky Strategy: Buy near 670 with stop loss of 680.

Spot Market Prices

Origin/Grade	Center	24.11.06	23.11.06	Rs/Kg Change
Mentha Oil	Sambhal	683	678	5.00
Mentha Oil	Chandausi	680	677	3.00
Mentha Oil	Rampur	670	665	5.00
Mentha Oil	Barabanki	675	670	5.00

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