

MENTHA OIL

13th November 2006

SPOT MARKETS

Mentha oil spot markets experienced bearish sentiments. Spot's prices were quoted low throughout the MCX trading session. But after closure of trading in MCX higher prices were offered in the spot markets. Spot markets were acknowledging flow of farmers and traders. Few exporters approached Sambhal, Barabanki in the early hours but spot prices were low. 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 continued to trade with bearish sentiments. Traders said 'Exporters were exploring Sambhal and Barabanki spot market' but this news did not effect futures markets. Traders also quoted 'spot is dependent on futures' but not the vice-versa'. Few traders also reported that it's a speculative movement in the future markets. However November contract closed in a bearish node while trading between Rs.578.6-601 and December contract closed in bearish tone while trading between the range of Rs.591.7-608.8 and arrived at 601.8

PRICE DRIVERS

1. Trader's participation in the spot market.
2. Exporters are likely to approach markets
3. Increasing speculative activity

TECHNICALS

Charting candlesticks is dragonfly doji pattern. MACD 9 day and 12 day index signaled markets resembling bearish strength. RSI line is still indicating that markets are roving in the over sold region and is likely to transform. Long term trend remains same below the average. Volume was low and open interest was comparatively high.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-November Contract	567	567	588.2	605	613

TRADE RECOMMENDATION:

Short on November contract

Spot Market Prices

Origin/Grade	Center	11.11.06	10.11.06	Rs/Kg Change
Mentha Oil	Sambhal	605	608	3.00
Mentha Oil	Chandausi	610	607	3.00
Mentha Oil	Rampur	590	602	12.00
Mentha Oil	Barabanki	595	610	15.00

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