

MENTHA OIL

November 9, 2006

SPOT MARKETS

Major spot markets of mentha oil continued to see activity from farmers and traders. Few exporters were noted in the markets but due to selling pressure on MCX, resulted in low prices in spot markets. Traders reported spot prices may even fall further due to less buying pressure on MCX. Exporters approached Chandusi but buying was minimal in quantity. This behavior is likely to change as decline in prices are seen. Prices may shoot up in spot markets on the anticipation that exporters may arrive very soon. Situation is likely to improve on international demand.

FUTURES MARKETS

Mentha oil futures at the Multi Commodity Exchange (MCX) continued to trade in a bearish sentiment. Future markets are likely to boost, as exporters are approaching the markets. Traders reported that spot and futures are perfectly correlated. Mentha lost its value by Rs.12.20 on November contract and Rs.14.50 in December contract. November contract traded in the range of Rs.611.7-631.4 while December contract traded in the range of 625.6-646.6. Markets are likely to appreciate, in the coming trading session, anticipating exporters.

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 Bearish Tasuki pattern, indicating weakening of the prices further. MACD 9 day and 12 day index signaled markets resembling bearish strength. RSI line is indicating that markets are still roving in the over sold region and is likely to transform very soon. 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	605	590	617.5	643	662.7

TRADE RECOMMENDATION:

Short on November contract

Spot Market Prices

Rs/Kg

Origin/Grade	Center	8.11.06	7.11.06	Change
Mentha Oil	Sambhal	625	638	13.00
Mentha Oil	Chandausi	630	638	8.00
Mentha Oil	Rampur	620	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.aagriwatch.com/Disclaimer.aspx>

© 2005 Indian Agribusiness Systems Pvt Ltd.