

## MENTHA OIL

November 7, 2006

### SPOT MARKETS

Major spot markets of mentha oil continued to acknowledging flow of farmers and traders. Exporters were noted in the markets of Sambhal as a result Sambhal market reflected an intraday high of Rs.7. Similar behavior can be expected in other markets on the arrivals of exporters. Rampur is still awaiting exporters, as a result prices moved marginally around the band due to active participation of buyers and sellers. 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. Futures witnessed intraday high of Rs.2-3, but tapered downwards at the closing hours. Mentha oil lost its value by Rs.2.7 in the November contract and Rs.2.5 in the December contract. November contract traded in the range of Rs.633.5-647 while December contract traded in the range of 662-647.7. Markets are likely to appreciate, in the coming trading session, anticipating exporters.

### PRICE DRIVERS

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

### TECHNICALS

Charting candlesticks pattern is indicating that market may follow bears. MACD 9 day and 12 day index signaled markets resembling bearish strength. RSI line is indicating that markets in a over sold region and is likely to transform very soon. Long term trend remains same below the average. Volume was comparatively low and open interest was high.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-November Contract	629	608	636.9	653.8	664

### TRADE RECOMMENDATION:

**Safe strategy:** Stay out of the market: **Risk strategy :** Hold December position, at stop loss at S1

### Spot Market Prices

Origin/Grade	Center	6.11.06	4.11.06	Rs/Kg Change
Mentha Oil	Sambhal	644	643	1.00
Mentha Oil	Chandausi	645	648	3.00
Mentha Oil	Rampur	640	642	2.00

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