

MENTHA OIL

16th November 2006

SPOT MARKETS

Mentha oil spot markets witnessed bullish behavior throughout the day. Chandusi and Barabanki witnessed adequate arrivals, while Sambhal reported low arrivals. Barabanki was offering Rs.630 for local markets and for exporters it was Rs.610. Due to adequate exporters and trader's participation in the spot markets prices boosted up. Sambhal closed at Rs.640 which was the highest for the day. Traders quoted trend to be range bound in the coming trading session which can be beneficial in the long term. 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 traded with bullish sentiments. Futures were moving collateral with the spots as both the markets were in a bullish tone. Traders continued to anticipate, markets should move in a range bound territory. However November contract closed in a bullish node while trading between Rs.597.7-625 and December contract traded between the range of Rs.612.4-639.5

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 engulfing pattern(Tsutsumi) 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 in the early trading session as RSI line is in upward movement. Volume and open interest was quite high.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-November Contract	578	567	622.9	627	642

TRADE RECOMMENDATION:

Hold December contract futures at stop loss of 620

Spot Market Prices

Origin/Grade	Center	15.11.06	14.11.06	Rs/Kg Change
Mentha Oil	Sambhal	640	617	23.00
Mentha Oil	Chandausi	636	622	14.00
Mentha Oil	Rampur	635	605	30.00
Mentha Oil	Barabanki	630	610	20.00

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