

MENTHA OIL

27th November 2006

SPOT MARKETS

Spot markets witnessed active participation from traders with bullish sentiments. Chandusi experienced bullish caucus, with upward movement in prices. Sambhal was also in the bullish rally with prices movement of Rs.15 on an average. Prices moved faster than spot traders expectation. But Sambhal continued to experienced exporters and local demand. Rampur reported 6,000-7,000kg arrivals approximately. Intraday high in spot prices were Rs.690. Traders in Barabanki are anticipating higher arrivals at higher prices. However Barabanki continued to be a part of bullish sentiment. 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 bullish tone and continued to be bullish in the trading session. Correlated movements are seen in spot and future prices. Lower fundamental support for prices movement on futures. December contract traded with in the range of Rs.680-702.5. While January contract traded between the range of Rs.693-7163. Speculation cannot be ignored in the future market.

PRICE DRIVERS

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

TECHNICALS

Candlesticks are indicating wait bullish pattern. MACD signaled bullish, but the difference between MACD and DAV is on the decline with previous pattern. 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 taper upwards.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	685	671	700	708	716

TRADE RECOMMENDATION:

Safe strategy: Hold position with stop loss of 687

Risky Strategy: buy near 680 with stop loss of 687

Spot Market Prices

Origin/Grade	Center	25.11.06	24.11.06	Rs/Kg Change
Mentha Oil	Sambhal	694	683	11.00
Mentha Oil	Chandusi	692	680	12.00
Mentha Oil	Rampur	682	670	12.00
Mentha Oil	Barabanki	685	675	10.00

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