

## MENTHA OIL

28<sup>th</sup> November 2006

### SPOT MARKETS

Spot markets witnessed mixed sentiment with volatile prices. Chandusi experienced lower prices including lower arrivals. But active participation was seen in the Chandusi markets. Sambhal was also in the same mood with other spot markets. Correlation between MCX and spot market was noted. Arrivals were adequate in Sambhal with price fluctuation. Prices moved faster than spot trader's expectation. But Sambhal continued to experienced exporters and local demand. Rampur was experiencing demand major from locals. Arrivals in Rampur were satisfactory with participation from farmers and stockist. Traders in Barabanki are anticipating higher arrivals at higher prices.. Overall traders are anticipating firm arrivals in the coming trading session

### FUTURES MARKETS

December contract at MCX opened in a bearish tone and traded with prices fluctuations. Correlated movements are seen in spot and future prices. Future traders did not expected prices to slide down to Rs.14 with the previous day, but a marginal decline was anticipated. December contract traded with in the range of Rs.684.3-702.7. While January contract traded between the range of Rs.701.5-713. Speculation cannot be ignored in the future market.

### PRICE DRIVERS

1. Exporters are approaching the markets
2. Higher participation in spot markets
3. Speculation cannot be ignored.

### TECHNICALS

Candlesticks are indicating bearish 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. Volume and open interest continued to be high indicating active participation. Prices were above the averages. Oscillators indicated trend to be tapering downwards.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	680	671	684.3	709	719

### TRADE RECOMMENDATION:

**Safe strategy:** Hold position with stop loss of 690

**Risky Strategy:** buy near 680 with stop loss of 687

### Spot Market Prices

Origin/Grade	Center	26.11.06	25.11.06	Rs/Kg Change
Mentha Oil	Sambhal	674	694	20.00
Mentha Oil	Chandusi	677	692	15.00
Mentha Oil	Rampur	668	682	14.00
Mentha Oil	Barabanki	665	685	20.00

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