

MENTHA OIL

30th November 2006

SPOT MARKETS

Spot markets witness bearish sentiments throughout the day with prices tapering downwards. Chandusi experienced bearish mood with sliding MCX prices. Sambhal was also in the same mood with other spot markets. Less positive correlation between MCX and spot market was noted, indicating firmness in spot markets. Arrivals were adequate in Sambhal with active farmer's participation. Rampur was experiencing low demand major from locals with adequate arrivals. Barabanki experienced arrivals but with sliding prices in the markets, buyers were away from the markets. Traders in Barabanki are anticipating higher arrivals at higher prices. Firm movement is anticipated by traders, with today's fall in prices. Overall traders are anticipating firm arrivals in the coming trading session

FUTURES MARKETS

December contract at MCX opened in a bearish tone and continued to trade in bearish mode. Mentha slide with Rs.20.9 in the trading session. Speculative forces prevailing in the future markets. Traders are anticipating markets to trade with bullish sentiments as markets have touched lower levels. December contract traded in the range of Rs.658.9-683.9 January contract traded between the range of Rs.674-697.5.

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. However MACD signaled convergence between MACD and DAV, indicating possible rise in prices. RSI index indicating possibility of trend reversal. Volume was high and open interest was low. Prices decline below 9 day moving averages. Oscillators indicated trend to be tapering downwards.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	650	642	658.9	676	692

TRADE RECOMMENDATION:

Safe strategy: buy if crosses above 667

Risky Strategy: sell at current level to cover at 642

Spot Market Prices

Origin/Grade	Center	29.11.06	28.11.06	Rs/Kg Change
Mentha Oil	Sambhal	661	671	10.00
Mentha Oil	Chandusi	658	675	17.00
Mentha Oil	Rampur	652	665	13.00
Mentha Oil	Barabanki	643	660	17.00

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