

## MENTHA OIL

28<sup>th</sup> October 2006

### SPOT MARKETS

Major spot markets of mentha oil were closed, due to Uttar Pradesh(UP) election. Sambhal market witnessed lackluster behavior as less buyers and sellers arrived in the markets. Political economy was playing a major role in the major spot markets of Uttar Pradesh. Major spot markets are in Uttar Pradesh. Situation is likely to improve after the UP election.

### FUTURES MARKETS

The mentha oil futures at the Multi Commodity Exchange (MCX) traded with a bearish sentiment as spot market influenced futures. Mentha oil experienced downward trend as futures lost its value by Rs.16. Lackluster behavior in the spot market of Sambhal was influencing the future market. Slacking behavior is seen due to lack of exporters in the spot markets. Future markets will continue to be in the existing mood till exporters arrive in the spot markets. November contract sliced from 695.4 in the previous trading session to 669.6 while December contract traded between the range of 701 - 681, and concluded at 686. Similar trend will continued for some trading session

### PRICE DRIVERS

1. Spot markets closed due to UP elections
2. Exporters not still responsive to price
3. Increasing speculative activity

### TECHNICALS

Charting candlesticks pattern is indicating that market are following bears. MACD 9 day and 12 day index signaled markets not resembling strength from the bullish perspective. RSI line is indicating that markets are Bearish. Volume was low and open interest was indicating higher speculation.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil- November Contract	661.6	650	669.6	692	712.5

### TRADE RECOMMENDATION:

Safe strategy: Stay out of the market

Risk strategy: Buy December futures at 665.

### Spot Market Prices

Origin/Grade	Center	Rs/Kg		
		27.10.06	26.10.06	Change
Mentha Oil	Sambhal	662	677	15.00
Mentha Oil	Chandausi	NA	682	--
Mentha Oil	Rampur	NA	672	--

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