

## MENTHA OIL

18<sup>th</sup> November 2006

### SPOT MARKETS

Spot markets traded in a bullish tone with marginal volatility. Chandusi continued to experience adequate arrivals in the presence of exporters. Sambhal received demand from exporters, with major equilibrium arrivals from stockiest. Arrivals in Rampur were noted to be less with adequate exporters. Exporters were approaching Barabanki. Higher arrivals in the markets satisfying present needs can be the cause of volatile prices, or speculations gaining momentum for the fall. Prices may shoot up in (medium term) spot markets anticipating exporters approaching spot markets. Situation is likely to improve on international demand.

### FUTURES MARKETS

December contract at MCX tapered downwards with a fall of Rs.7.50. Range bound volatility was seen in futures. Traders are voting for regress movement of the trend than a sudden rise/fall. Expectations are high between traders as exporters will drive the markets. However November contract closed in a bullish node while trading between Rs.624.4-637 and December contract traded between the range of Rs.640-652.8.

### PRICE DRIVERS

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

### TECHNICALS

Charting candlesticks is bullish indication of strengthening the markets. It can be looked as markets are approaching consolidation phase. MACD signaled bullish movement as 12 day line cuts the 9 day. RSI index is indicating bullish driven markets, but RSI is roving in overbought region. Volume and open interest was quite high. Strategy here respect to RSI would be to hold position with a stop loss.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	633	603	641.9	659	680

### TRADE RECOMMENDATION:

Hold December contract futures at stop loss of 626

### Spot Market Prices

Rs/Kg

Origin/Grade	Center	17.11.06	16.11.06	Change
Mentha Oil	Sambhal	645	648	3.00
Mentha Oil	Chandausi	643	648	5.00
Mentha Oil	Rampur	635	640	5.00
Mentha Oil	Barabanki	635	640	5.00

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