

MENTHA OIL

November 11, 2006

SPOT MARKETS

Mentha oil spot markets experienced volatility moving collateral with MCX. Spot's prices were quoted high in the early trading hours but retraced lower taking a cue from soft trend in MCX. Spot markets were acknowledging flow of farmers and traders. Few exporters approached Sambhal in the early hours, as the news spread, MCX was high but later due to liquidation in MCX spot prices collapsed. Prices may shoot up in spot markets anticipating exporters approaching spot markets. Situation is likely to improve on international demand.

FUTURES MARKETS

November contract Mentha oil at the MCX started with a bullish run in the early hours but in closing hour markets was marginally high. Traders said 'Exporters were exploring Sambhal spot market' this news flavored futures but due to lack of participation in the other markets pulled the futures to lower prices. Few traders also reported that it's a speculative movement in the markets. However November contract closed in a bullish node while trading between Rs.591-612.9 and December contract closed slightly bearish trading between the range of Rs.603.9-625.4.

PRICE DRIVERS

1. Trader's participation in the spot market.
2. Exporters are likely to approach markets
3. Increasing speculative activity

TECHNICALS

Charting candlesticks is butterfly doji pattern. MACD 9 day and 12 day index signaled markets resembling bearish strength. RSI line is still indicating that markets are roving in the over sold region and is likely to transform very soon. Long term trend remains same below the average. Volume was low and open interest was comparatively high.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-November Contract	585	579	617.5	621	631

TRADE RECOMMENDATION:

Short on November contract

Spot Market Prices

Origin/Grade	Center	10.11.06	9.11.06	Rs/Kg Change
Mentha Oil	Sambhal	608	605	3.00
Mentha Oil	Chandausi	607	610	3.00
Mentha Oil	Rampur	602	605	3.00
Mentha Oil	Barabanki	610	607	3.00

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