

MENTHA OIL

November 8, 2006

SPOT MARKETS

Major spot markets of mentha oil continued to see flow of farmers and traders. Exporters were noted in the markets of Sambhal and Barabanki, as a result market reflected an intraday high of Rs.4-5. But selling pressure on MCX resulted in lower prices in spot markets. While Sambhal and Barabanki received export queries, Chandusi was still awaiting for their turn. Prices may shoot up in spot markets on the anticipation that exporters may arrive very soon. Situation is likely to improve on international demand.

FUTURES MARKETS

Mentha oil futures at the Multi Commodity Exchange (MCX) continued to trade in a bearish sentiment. Markets opened at yesterday's closing price which indicates that markets might enter consolidation phase. Mentha oil lost its value by Rs.5.30 in the November contract and Rs.4.90 in the December contract. November contract traded in the range of Rs.633.5-647 while December contract traded in the range of 662-647.7. Markets are likely to appreciate, in the coming trading session, anticipating exporters.

PRICE DRIVERS

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

TECHNICALS

Charting candlesticks pattern is Bearish Sanpei/ Three Cows. This pattern indicates markets are gathering profits. MACD 9 day and 12 day index signaled markets resembling bearish strength. RSI line is indicating that markets in a over sold region and is likely to transform very soon. Long term trend remains same below the average. Volume was comparatively low and open interest was high.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-November Contract	626	608	629.6	644.3	653.8

TRADE RECOMMENDATION:

Short on November contract

Spot Market Prices

Rs/Kg

Origin/Grade	Center	7.11.06	6.11.06	Change
Mentha Oil	Sambhal	638	644	6.00
Mentha Oil	Chandausi	638	645	7.00
Mentha Oil	Rampur	630	640	10.00

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