

MENTHA OIL

29th November 2006

SPOT MARKETS

Spot markets continued to witness mixed sentiment with volatile prices. Chandusi experienced lower prices but arrivals were reported to be adequate. Sambhal was also in the same mood with other spot markets. Correlation between MCX and spot market was noted. Arrivals were adequate in Sambhal with active farmer's participation. Prices moved in range bound territory: spot traders reported. Sambhal continued to experienced exporters and local demand. Rampur was experiencing demand major from locals with adequate arrivals. Traders in Rampur reported higher arrivals will taper prices downwards. Barabanki experienced demand from exporters and locals. Traders in Barabanki are anticipating higher arrivals at higher prices. Overall traders are anticipating firm arrivals in the coming trading session

FUTURES MARKETS

December contract at MCX opened in a bearish tone and traded with prices fluctuations. Active participation was seen in future markets. Speculative forces prevailing in the future markets. However markets are seen to trade in range bound are; traders reported. December contract traded with in the range of Rs.678.2-692.2 January contract traded between the range of Rs.692.2-706.

PRICE DRIVERS

1. Exporters are approaching the markets
2. Higher participation in spot markets
3. Speculation cannot be ignored.

TECHNICALS

Candlesticks are indicating wait and see pattern. MACD signaled bullish, but the difference between MACD and DAV is on the decline with previous pattern. RSI index is indicating bullish driven markets. Volume and open interest continued to be high indicating active participation. Prices were above the averages. Oscillators indicated trend to be tapering downwards.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	680	662	681	709	719

TRADE RECOMMENDATION:

Safe strategy: Hold position with stop loss of 690

Risky Strategy: buy near 680with stop loss of 687

Spot Market Prices

Origin/Grade	Center	28.11.06	27.11.06	Rs/Kg Change
Mentha Oil	Sambhal	671	674	3.00
Mentha Oil	Chandusi	675	677	2.00
Mentha Oil	Rampur	665	668	3.00
Mentha Oil	Barabanki	660	665	5.00

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