

MENTHA OIL

24th November 2006

SPOT MARKETS

Spot markets prices experienced volatile movement with probabilistic mixed approach from traders. Chandusi witnessed mixed sentiments, with approaching demand from local buyers and exporters. Sambhal continued to experience demand from exporters even with falling prices. Arrivals in Rampur continued to be in equilibrium with approaching exporters. Traders are anticipating higher arrivals in Rampur. Traders reported that Barabanki is experiencing higher demand from local buyers and exporters. Overall traders are anticipating firm arrivals in the coming trading session. Prices may shoot up in (medium term) spot markets anticipating exporters approaching spot markets.

FUTURES MARKETS

December contract at MCX opened in a bearish node and throughout the trading session prices were tapering downwards. Trader's participation in the markets cannot be ignored with active movements in prices. Active buying was seen in the spot markets with lowering prices: hence speculations on futures cannot be ignored. December contract traded with an intraday climax of 693.9 and concluded at 676.9. However Markets are seen to open in range bound, but speculation cannot be ignored.

PRICE DRIVERS

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

TECHNICALS

Candlesticks are indicating bearish pattern. MACD signaled bullish, but a firm phase is needed for further movement. RSI index is indicating bullish driven markets, but RSI continued to rove in overbought region. Volume and open interest continued to be high. Prices were above the averages, indicating lower strength in upward movement. Oscillators indicated trend to be tapering downwards.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	673	658	676.9	702	723

TRADE RECOMMENDATION:

Safe strategy: Go short at current level with Rs.680 as stop loss.

Spot Market Prices

Origin/Grade	Center	23.11.06	22.11.06	Rs/Kg Change
Mentha Oil	Sambhal	678	688	10.00
Mentha Oil	Chandausi	677	685	7.00
Mentha Oil	Rampur	665	675	5.00
Mentha Oil	Barabanki	670	675	5.00

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