

MENTHA OIL

15th November 2006

SPOT MARKETS

Mentha oil spot markets experiencing amazing movement through out the day. In the early hours higher prices were quoted but lately due to the down fall in MCX spot's tapered downwards. This volatile movement was witnessed in Sambhal, with a intraday high of Rs.630, while in Barabanki it was Rs.617 and Rampur with Rs.618. All the markets reported the presence of exporters and traders. Rampur continued to experience adequate arrivals followed by Chandusi. Prices may shoot up in (medium term) spot markets anticipating exporters approaching spot markets. Situation is likely to improve on international demand.

FUTURES MARKETS

November contract at MCX opened in a bullish tone but later, at the closure hour it turned bearish. This movement was considered to be speculative as fundamentals were not playing a role. Traders are anticipating that markets should move in a range bound territory. However November contract closed in a bullish node while trading between Rs.617-602.2 and December contract traded between the range of Rs.630.9-615.5.

PRICE DRIVERS

1. Exporters are approaching the markets
2. Adequate arrivals in spot markets
3. Trader's participation in the spot market
4. Increasing speculative activity

TECHNICALS

Charting candlesticks is indicating slightly positive in the coming trading session. MACD signaled markets may break from bearish mood if 12 day line cuts the 9 day. RSI index is indicating bullish driven markets in the early trading session as RSI line cuts the MA line from below. Volume and open interest was comparatively high.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|----------------------------------|-----|-----|-------|-----|-----|
| MCX-Mentha Oil-November Contract | 578 | 567 | 602.2 | 627 | 642 |

TRADE RECOMMENDATION:

Buy December contract futures at stop loss of 610

Spot Market Prices

| Origin/Grade | Center | 14.11.06 | 13.11.06 | Rs/Kg Change |
|--------------|-----------|----------|----------|--------------|
| Mentha Oil | Sambhal | 617 | 622 | 3.00 |
| Mentha Oil | Chandausi | 622 | 625 | 3.00 |
| Mentha Oil | Rampur | 605 | 608 | 3.00 |
| Mentha Oil | Barabanki | 610 | 615 | 5.00 |

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