

MENTHA OIL (MCX)

29th December 2006

SPOT MARKETS

Spot markets continued to witness mixed sentiments, as MCX was bearish in the early. Chandusi experienced adequate arrivals from farmers and stockist. Traders reported approximately 250 barrels of trade took place from local traders to exporters, through out the day. Sambhal was experiencing moderate mood as adequate amount of trade took place. Arrivals were reported to be less compare to yesterdays position in Sambhal. Rampur continued to experience adequate arrivals. Active buyers were local traders, exporters presence were not felt. Barabanki continued to witness adequate arrival with adequate buyers. Spot mentha markets were boogie at MCX tunes. Spot traders are assuming markets to open firm in the next trading session.

FUTURES MARKETS

January contract at MCX opened in a bearish tone, with prices moving marginally. Intra-day low was noted 606.1. However speculative forces cant be ignored in the futures markets. January contract traded in the range of Rs.612.3-625.6, while February contract traded in the range of Rs.620.5-637. Markets may open firm for the next trading session.

PRICE DRIVERS

1. Stockist presence in the markets.
2. Less farmers presence.
3. Active traders participation
4. Speculation cannot be ignored.

TECHNICALS

Candlesticks is indicating doji pattern. MACD indicating bearish markets, but if DAV converges with MACD markets might slightly turn bullish. RSI is likely to converge with MA line. Volume and open interest was low, indicating low participation. Prices decline below moving averages. Oscillator indicating trend to be slightly bullish.

MENTHAOIL 0701(MXMTLF7)2006/12/28 - Daily B:613.30 A:613.50
O 612.20 H 616.90 L 606.10 C 613.40 V 5,698 T 1,252,932 I 3,999 -0.6



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	607	601	613.4	618	623

TRADE RECOMMENDATION:

Safe strategy: Buy at current level with a stop loss at S1 and target of R1

Spot Market Prices

Origin/Grade	Center	28 . 12 . 06	27 . 12 . 06	Rs/Kg Change
Mentha Oil	Sambhal	655	655	0.00
Mentha Oil	Chandusi	650	652	2.00
Mentha Oil	Rampur	645	647	2.00
Mentha Oil	Barabanki	628	630	2.00

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