

MENTHA OIL

4th December 2006

SPOT MARKETS

Spot markets continued to witness mixed sentiments throughout the trading session. Chandusi experienced fewer buyers with adequate arrivals and moderate sellers. Exporters were away from the markets of Chandusi. Sambhal was incorporating fewer exporters with the adequate arrivals in the markets. Markets were moving within range-bound territory. Sambhal experienced spot prices moving with marginal price volatility. Rampur continued to experience adequate arrivals but local buyers were few throughout the day. Barabanki witnessed less arrival with adequate buyers. Exporter's presence was not being felt in Barabanki: reported traders. Overall traders are anticipating firm arrivals in the coming trading session.

FUTURES MARKETS

December contract at MCX opened in a bullish tone. But, in later-hours marginal volatility of prices was seen on futures. However futures slide with Rs.1.4. Speculative forces prevailing in the future markets. Traders are anticipating markets to trade in range bound area. December contract traded in the range of Rs.665.8-678.9 January contract traded in the range of Rs.679.8-693.5. Markets may open firm.

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. However MACD signaled convergence between MACD and DAV, indicating possible rise in prices. RSI index indicating possibility of trend reversal. Volume was high and open interest was comparatively low. Prices decline below 9 day moving averages. Oscillators indicated trend to be tapering upwards.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	670	665	674.6	681	687

TRADE RECOMMENDATION:

Safe strategy: Buy near 672 with stop loss near 680

Risky Strategy: Buy at current level with a stop loss near 681

Spot Market Prices

Origin/Grade	Center	02 . 12 . 06	01 . 12 . 06	Rs/Kg Change
Mentha Oil	Sambhal	665	672	7.00
Mentha Oil	Chandusi	670	675	5.00
Mentha Oil	Rampur	660	665	5.00
Mentha Oil	Barabanki	655	657	2.00

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