

MENTHA OIL (MCX)

27th December 2006

SPOT MARKETS

Spot markets were witnessing bullish sentiments however traders were not so responsive at this bullish drive, after a bearish rally in the past days. Chandusi experienced low arrivals with less presence of exporters. However locals were also keeping away from the markets. Sambhal was incorporating fewer exporters with fewer arrivals. Sambhal; traders are anticipating demand in the coming trading session. Sambhal went with an intra-day low of Rs.648. Rampur continued to experience adequate arrivals. Active buyers were local traders, exporters presence were not felt. Barabanki witnessed less arrival with adequate buyers. Spot mentha markets were nodding at MCX tunes.

FUTURES MARKETS

January contract at MCX opened in a bullish tone. Markets were in bullish sentiments, however future traders were driving the markets anticipating demand from exporters in the coming trading session. However speculative forces cant be ignored in the futures markets. January contract traded in the range of Rs.601.5-619.5, while February contract traded in the range of Rs.611.1-630.5. Markets may open firm.

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 bullish pattern. MACD indicating bearish markets, but if DAV converges with MACD markets might slightly turn bullish. RSI has cut MA from below. Volume and open interest was low, indicating low participation. Prices decline below moving averages. Oscillator indicating trend to be slightly bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-December Contract	603	595	619.5	625	631

TRADE RECOMMENDATION:

Safe strategy: Buy near Rs.611 at stop loss at 607 and target of 618.

Risky strategy: Buy near Rs.615 at stop loss near S1 and target of Rs.624

Spot Market Prices

Origin/Grade	Center	26 . 12 . 06	23 . 12 . 06	Rs/Kg Change
Mentha Oil	Sambhal	660	650	10.00
Mentha Oil	Chandausi	650	640	10.00
Mentha Oil	Rampur	648	638	10.00
Mentha Oil	Barabanki	630	610	20.00

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt. Ltd.