

MENTHA OIL (MCX)

9th January 2007

SPOT MARKETS

Spot markets opened with bearish sentiments but later after the bullish rally on MCX spot markets also followed the bullish sentiment. Chandusi continued to reported adequate arrivals, with rising prices. Chandusi experienced an intra-day volatility from Rs.585-620. Spot prices were in positive correlation with futures MCX prices. Sambhal was experiencing lower arrivals with lower demand. Exporter's presence was not felt in Sambhal. Spot prices continued to rally because of sentiments created on MCX. Rampur received adequate arrivals with less demand from locals as exporters fewer in markets. Barabanki was receiving lower arrivals and lower demand. Barabanki received and intra-day volatility from Rs.580-620. Exporters presence was lower in Barabanki. Traders said markets will open in a bearish tone but might follow a bearish sentiment.

FUTURES MARKETS

January contract at MCX followed bearish sentiments but later tuned to bullish sentiments. January contract in the early hours experienced a downfall of 3.75% and then hit the upper circuit of 6%. January contract traded in the range of Rs.516-567 while February contract traded in the range of Rs.522-575.5 Higher speculation is being noted in the futures markets

PRICE DRIVERS

1. Less presence of Exporters
2. Less farmers presence.
3. Active traders participation
4. Speculation cannot be ignored.

TECHNICALS

Candlesticks is indicating bullish pattern with a long tail. MACD continued to indicate bullish markets. RSI line now indicating a bullish sentiment favoring the markets.. Volume was higher and open interest was low. Prices were below the moving averages. Oscillator indicating trend bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	533	516	567	579	606

TRADE RECOMMENDATION:

Safe strategy: (go long)buy at current level with stop loss near 560 and target near R1

Spot Market Prices

Origin/Grade	Center	08 . 01 . 07	06 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	625	612	13.00
Mentha Oil	Chandausi	620	609	11.00
Mentha Oil	Rampur	620	612	8.00
Mentha Oil	Barabanki	620	605	15.00

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.