

# Mentha Oil Weekly



## Technical Recommendation:

Commodity	Exchange	Contract	Recommendations
Mentha Oil	MCX	Nov-11	Buy in the range of 1308/1315 targeting 1350 with stop loss below 1290

## Spot Price Performance: (W/W)

Date	Chandausi	Moradabad	Barabanki	MCX Spot- Oil	MCX Spot- Flakes
31-10-2011	1520	1480	1440	1523.5	1640
01-11-2011	1515	1500	1455	1531.4	1650.4
02-11-2011	1515	1510	1460	1518.4	1632.3
03-11-2011	1515	1510	1460	1523.9	1636.4
04-11-2011	1500	1505	1450	1516.5	1628.6
05-11-2011	1490	1500	1440	1506.2	1595.1

**Note:** Since Uttar Pradesh is the major growing state in India, spot prices have taken from various districts of UP

## Review:

Mentha oil prices resumed upside on short covering on previous huge losses. Spot markets across the country resumed their activity on full swing after Diwali festival. Therefore, emergence of fresh demand supported the prices to recover. However, exporters remained quite as they were waiting for further fall in prices. However, local demand from pharma companies supported the prices. Thus, prices at spot market also traded on steady note. However, overall trend remained very volatile at futures platform. Spot prices fell marginally towards end of the day increased arrivals in Sambhal market. Therefore, futures also shaded some of its gains on shifting from current contract to far month contract and ended on positive note with 3.29% W/W gains.

## Last week's Price Movement:

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Nov-11	1305	1359.2	1305	1328.3	2.38	29997	139.65	4323	-11.29
Dec-11	1314	1316.7	1262	1297.8	-1.06	2720	-23.23	3445	20.24

## Outlook

In the coming week, mentha oil prices are expected extend volatility with positive biasness. According to trade sources, overall trend is firm in anticipations of rise in demand for winter season. Lower level demand from domestic pharma companies is also supportive for prices. Arrivals at spot market of Sambhal are also reaming stable in the range of 125 to 150 drums (1 drum= 180Kg.) a day.

However, exporters still staying away from market as they are waiting for further correction in prices for starting the fresh buying. Along with that spot and futures prices are trading at a very huge gap which might also create volatility in prices during the week.

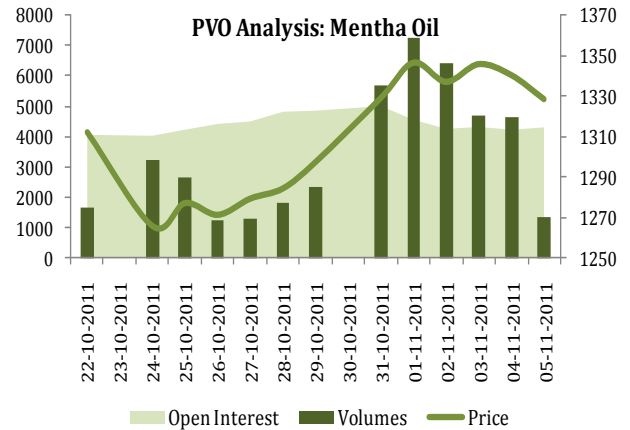
Medium to long term trend is likely to remain positive as winter season demand for export purpose along with from local buyers is likely to keep the prices firm.

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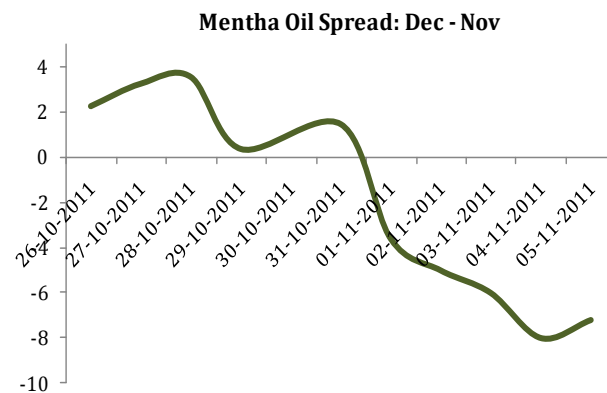


## Derivative Analysis (Nov - 11)

Mentha Oil November contact, prices and volumes have increased while open interest has declined. According to analysis, it is a good indication that Market has a lot of traders initiating from both sides but larger traders may be liquidating into the higher prices. The market may be vulnerable to large price swings as shorter time frame traders attempt to trade from both sides of the market but liquidating before end of day. Often a signal of a market turns near-term or continued volatility.



## Calendar Spread



Spread Matrix			
	Nov-11	Dec-11	Jan-12
Nov-11	0		
Dec-11	-7.2	0	
Jan-12	-16.3	-9.1	0

Calendar spread between the consecutive contracts declined to -7.2 on Saturday. Shifting of volumes and open interest from current to far month contract has been started. Therefore more activities have been noticed in far month contract. However, smart recovery in November contract as compared to December contract pulled down the spread drastically.

## Spot Price Performance last week: Mint Product

Date	Flakes	Peppermint	DMO	Crystal	Powder
28-10-2011	1535	1185	1070	1625	1540
31-10-2011	1570	1195	1080	1650	1575
01-11-2011	1590	1200	1085	1675	1595
02-11-2011	1620	1220	1100	1700	1625
03-11-2011	1600	1220	1100	1680	1605
04-11-2011	1610	1225	1105	1700	1615

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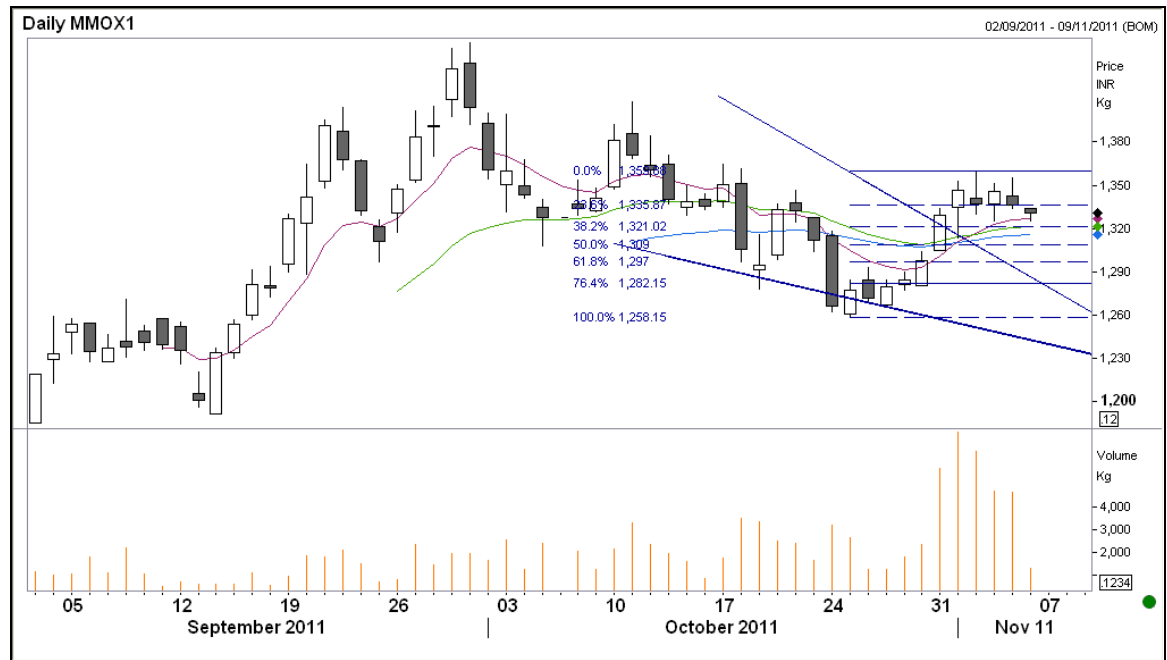
## Pivot Table

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Nov-11	1248	1277	1302	1328	1357	1385	1411
	Dec-11	1213	1237	1268	1298	1322	1347	1377

## Warehouse stock level in Kgs. (as on 04, November 2011)

Commodity	Place	Physical Stocks	Demat Stocks	Total Stocks Eligible for Exchange Delivery
Mentha Oil	Chandausi	4676.25	0	4676.25
Mentha Oil	Barabanki	928984.82	84233.905	1013218.728
<b>Mentha Oil</b>	<b>TOTAL</b>			<b>1017894.978</b>

## Technicals



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