

Mentha Oil Weekly



Technical Recommendation:

Commodity	Exchange	Contract	Recommendations
Mentha Oil	MCX	Nov-11	Buy above 1322 targeting 1350/1360 SL Below 1300

Spot Price Performance: (W/W)

Date	Chandausi	Moradabad	Barabanki	MCX Spot- Oil	MCX Spot- Flakes
05-11-2011	1490	1480	1440	1506.2	1595.1
08-11-2011	1475	1470	1455	1510.9	1620.6
09-11-2011	1470	1460	1445	1490	1603
11-11-2011	1465	1460	1425	1486	1600.6
12-11-2011	1470	1470	1410	1488.6	1600.8

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

Review:

Mentha oil prices reversed the trend on down side during lat week. Spot markets across the country witnessed steady prices initially in the week. Therefore, on cues from spot prices futures also extended the positive trend. However, later on prices resumed down trend amid increased arrivals at major spot markets. Most of the spot market activity remained sluggish amid poor demands from exporters' side. Exporters remained quite as they were waiting for fall in prices. However, local demand from pharma companies supported the prices. Thus, on Saturday futures took smart recovery as spot prices also recovered. However, overall trend remained very subdued due to shifting from current contract to far month contract and ended on negative note with 1.04% W/W losses.

Last week's Price Movement:

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Nov-11	1325.9	1343.7	1297.6	1312.1	-1.04	12878	-58.04	4055	-2.73
Dec-11	1319	1352.5	1312	1317.2	1.49	7716	183.68	3972	15.30
Jan-12	1308.6	1330.6	1294.4	1303	-0.43	945	-43.14	866	11.03

Outlook

In the coming week, mentha oil prices are expected extend bearish trend on long liquidation. According to trade sources, despite of firm trend exporters are staying away from market in expectations of further fall in prices. However, lower level demand from domestic pharma companies might support the prices later in the week. Arrivals at spot market of Sambhal are also reaming stable in the range of 125 to 150 drums (1 drum= 180Kg.) daily.

At futures now investors are shifting from current contract to far month contract creating fresh buying positions. We can see fresh buying to continue in December contract in near term.

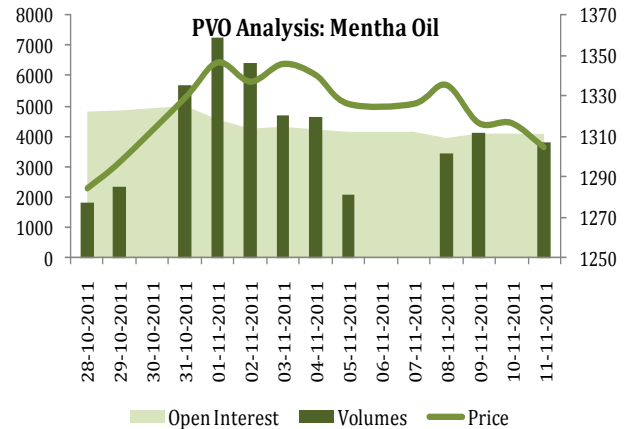
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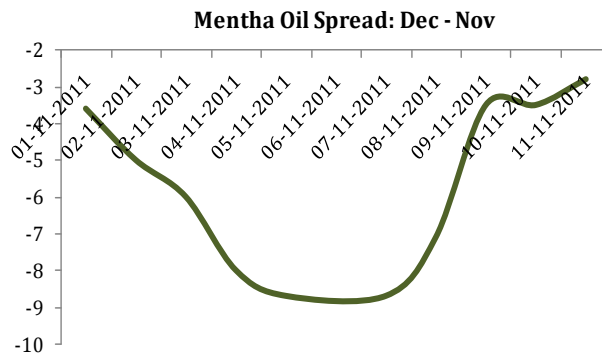
Medium to long term trend is likely to remain positive as winter season demand for export purpose along with from local buyers is likely to keep the prices firm.

Derivative Analysis (Nov - 11)

Mentha Oil November contact, the price decline is being caused by disgruntled long position holders being forced to liquidate their positions. Technicians view this scenario as a strong position technically because the downtrend will end as all the sellers have sold their positions, creating fresh buying opportunity at lower levels.



Calendar Spread



Spread Matrix			
	Nov-11	Dec-11	Jan-12
Nov-11	0		
Dec-11	-2.8	0	
Jan-12	-5.1	-2.3	0

Calendar spread between the consecutive contracts improved to -2.8 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. Therefore, more activity in far month contract might push the spread in coming days.

Spot Price Performance last week: Mint Product

Date	Flakes	Peppermint	DMO	Crystal	Powder
03-11-2011	1600	1220	1100	1680	1605
04-11-2011	1610	1225	1105	1700	1615
07-11-2011	1580	1220	1100	1660	1585
08-11-2011	1600	1220	1100	1680	1605
09-11-2011	1585	1220	1100	1670	1590
11-11-2011	1565	1195	1075	1650	1570

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Pivot Table

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
	Nov-11	1246	1272	1292	1312	1338	1364	1384
NCDEX	Dec-11	1261	1287	1302	1317	1342	1368	1383
	Jan-12	1252	1273	1288	1303	1324	1346	1360

Warehouse stock level in Kgs. (as on 11, November 2011)

Commodity	Place	Physical Stocks	Demat Stocks	Total Stocks Eligible for Exchange Delivery
Mentha Oil	Chandausi	3235.65	0	3235.65
Mentha Oil	Barabanki	827885.02	84233.905	912118.928
Mentha Oil	TOTAL			915354.578

Technicals



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