

Mentha Oil Weekly



Technical Recommendation:

Commodity	Exchange	Contract	Recommendations
Mentha Oil	MCX	Dec-11	Buy at 1335-1338 TP 1376/1392 SL 1308

Spot Price Performance: (W/W)

Date	Chandausi	Moradabad	Barabanki	MCX Spot- Oil	MCX Spot- Flakes
14-11-2011	1478	1480	1420	1492.5	1604.3
15-11-2011	1485	1485	1425	1499.1	1607.7
16-11-2011	1480	1480	1420	1494.3	1599.9
17-11-2011	1485	1485	1430	1501.8	1607.5
18-11-2011	1492	1495	1435	1504.6	1615.4

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 uptrend on short covering on previous losses during last week. Spot markets across the country also witnessed rise in prices on improved demand. Therefore, on cues from spot prices futures also extended the positive trend. However, during the week prices took small corrections but over positive sentiments pushed the prices to move up. Declined arrivals at major spot market of Sambhal due to the prevailing lean season added to the bullishness in prices and futures ended the week on higher note with 3.09% W/W gains.

Last week's Price Movement:

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Nov-11	1307.5	1359	1301.5	1356	3.09	20149	48.15	2776	-30.39
Dec-11	1317.2	1338	1295.9	1310.6	3.08	3185	125.24	3926	-1.73
Jan-12	1308.6	1330.6	1294.4	1303.2	3.13	1011	90.41	898	53.56

Note: Prices are updated till 1:00 pm. On Saturday

Outlook

In the coming week, mentha oil prices are expected trade positive on follow through buying. According to trade sources, demand from local pharmaceutical companies is emerging at winter season is approaching. Arrivals at spot market of Sambhal are also declining and remaining in the range of 50 to 80 drums daily against 125-150 drums earlier(1 drum= 180Kg.)

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.

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.

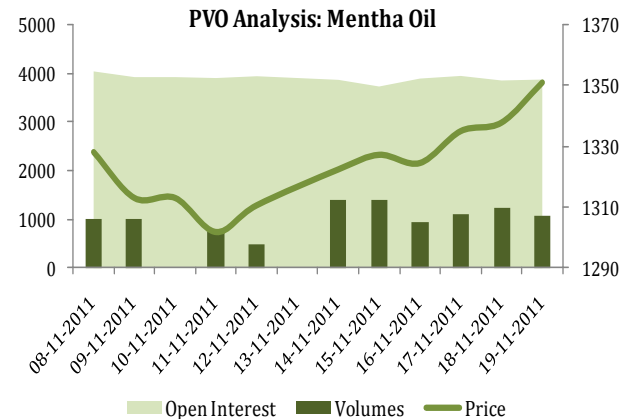
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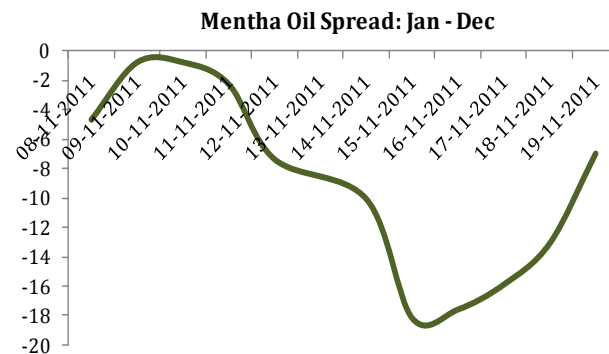
According to data released by Spices Board, mentha export for year 2011-12 is targeted around 17,750 tonnes against estimates exports of 17,450 tonnes during 210-11.

Derivative Analysis (Nov - 11)

Mentha Oil December contact, prices and volumes have increased while open interest have declined. It indicates 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	-2.1	0	
Jan-12	-7.2	-5.1	0

Calendar spread between the consecutive contracts improved to -2.1 on Saturday. Shifting of volumes and open interest from current to far month contract is increasing. Therefore, more activities have been noticed in far month contract.

Spot Price Performance last week: Mint Product

Date	Flakes	Peppermint	DMO	Crystal	Powder
11-11-2011	1565	1195	1075	1650	1570
14-11-2011	1565	1195	1075	1650	1570
15-11-2011	1575	1200	1080	1660	1580
16-11-2011	1550	1200	1080	1640	1555
17-11-2011	1560	1205	1085	1650	1565
18-11-2011	1565	1210	1090	1650	1570

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Pivot Table

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
	Nov-11	1261	1281	1319	1356	1376	1396	1434
NCDEX	Dec-11	1250	1273	1292	1311	1334	1357	1376
	Jan-12	1252	1273	1288	1303	1324	1346	1361

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	39913.95	0	39913.95
Mentha Oil	Barabanki	733202.52	19085.555	752288.078
Mentha Oil	TOTAL			792202.028

Technical



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