

# Mentha Oil Weekly



## Technical Recommendation:

Commodity	Exchange	Contract	Recommendations
Mentha Oil	MCX	Jan-11	Buy at 1305-1310 TP 1327 then 1347 SL 1386

## Spot Price Performance: (D/D)

Date	Chandausi	Moradabad	Barabanki	MCX Spot- Oil	MCX Spot- Flakes
19-12-2011	1468	1470	1410	1498.2	1599.4
20-12-2011	1465	1465	1405	1487.8	1587
21-12-2011	1467	1460	1415	1484.6	1583.7
22-12-2011	1470	1475	1420	1485.4	1585.6
23-12-2011	1480	1482	1425	1490.5	1591.7

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

## Review:

Mentha oil January futures traded in a very range bound manner during last week. Futures started the week on slightly positive note on short covering at lower levels. However, spot market activity remained steady on limited activity at export front. Arrivals also remain stable to 50-60 drums at spot market of Sambhal which kept the prices steady. However, later on prices took smart recovery during the week on fresh buying due to switching over from December contract to far month contract ended the week on marginally positive note.

## Last week's Price Movement:

Contract	Open	High	Low	Close	% Change	Volume	% Change	Open Interest	% Change
Dec-11	1308.5	1322.8	1286.6	1310	-0.05	13159	-11.17	2498	-25.07
Jan-12	1308	1325	1298.5	1318.2	0.43	5529	31.24	2880	6.79
Feb-12	1297	1310.9	1282.2	1304	0.39	584	-12.56	646	37.01

Note: Prices are updated till 11.00 am. on Saturday

## Outlook

In the coming week, mentha oil prices are projected to trade on positive note on additional buying in far month contracts ahead of December month expiry. Steady arrivals across the spot market are likely to support the prices. However, activity at export front might remain limited due to Christmas and New Year holidays. Off late prices movement is depending on the exporters' activity. Therefore, in absence of bulk buying from exporters prices might take small corrections on higher levels.

- According to trade sources, around 70% of the total produce of this season has arrived at spot market

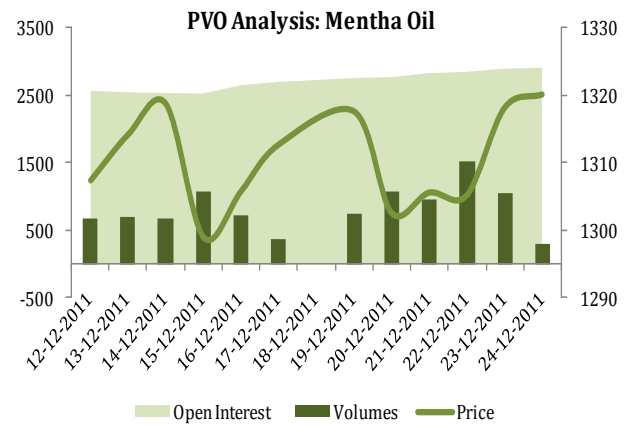
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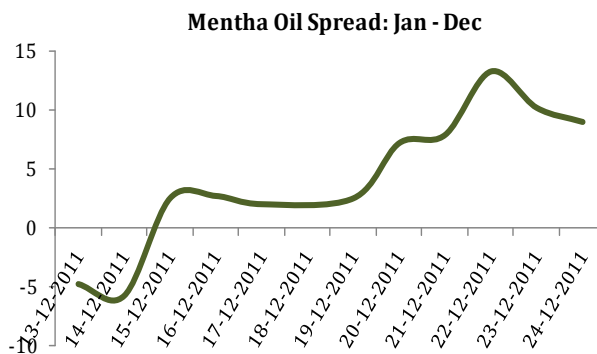
- According to data released by Spices board, mint product (mentha oil & flakes) exports during April- October, 2011 have reported a fall of 4% to 9150 tons as compared to same period last year
- According to data released by Spices Board, mentha export for year 2011-12 is targeted around 17,750 tonnes against estimates exports of 17,450 tonnes during 2010-11

## Derivative Analysis (Jan - 11)

Mentha Oil January contact, prices, volumes and open interest have ended on lower note showing recovery. It indicates that 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			
	Dec-11	Jan-12	Feb-12
Dec-11	0		
Jan-12	9	0	
Feb-12	5.4	-3.6	0

## Spot Price Performance last week: Mint Product

Date	Flakes	Peppermint	DMO	Crystal	Powder
16-12-2011	1550	1190	1070	1610	1555
19-12-2011	1570	1210	1090	1630	1575
20-12-2011	1555	1195	1075	1615	1560
21-12-2011	1555	1195	1075	1615	1560
22-12-2011	1545	1190	1070	1600	1550
23-12-2011	1545	1200	1080	1600	1550

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## Pivot Table

Exchange	Contract	S3	S2	S1	Previous close	R1	R2	R3
NCDEX	Dec-11	1254	1270	1290	1310	1326	1343	1363
	Jan-12	1276	1287	1303	1318	1329	1340	1356
	Feb-12	1258	1270	1287	1304	1316	1328	1345

## Warehouse stock level in Kgs. (as on 23, December 2011)

Commodity	Place	Physical Stocks	Demat Stocks	Total Stocks Eligible for Exchange Delivery
Mentha Oil	Chandausi	46740.1	0	46740.1
Mentha Oil	Barabanki	757330.93	96859.55	854190.475
<b>Mentha Oil</b>	<b>TOTAL</b>			<b>900930.575</b>

## Technical



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