

MENTHA OIL (MCX)

1st January 2007

SPOT MARKETS

Spot markets were in a bullish node due to export demand, however locals were also participating in Rampur. Chandusi continued to experienced adequate arrivals from farmers and stockist. Sambhal was experiencing higher arrivals, with unchanged demand. Traders continue to anticipate higher arrivals in the next trading session. Sambhal experienced a intraday low of Rs.647. Rampur was experiencing demand from locals, presence of exporters was not felt. Adequate arrivals were noted in Rampur. Barabanki continued to witness adequate arrival with the presence of exporters, however local buyers presence cannot be ignored. Spot traders are expecting markets to catch bullish node from Wednesday.

FUTURES MARKETS

January contract at MCX opened in a bearish tone. Markets were bearish as today was the last day of expiry of December contract. Markets lack fundamental support, this can be seen as futures were bearish where as spot was receiving demand. Therefore speculative forces cant be ignored in the futures markets. January contract traded in the range of Rs.598-606, while February contract traded in range of Rs.608-615.

PRICE DRIVERS

1. Stockist presence in the markets.
2. Less farmers presence.
3. Active traders participation
4. Speculation cannot be ignored.

TECHNICALS

Candlesticks is indicating bearish pattern. MACD indicating bearish markets. RSI cuts MA line from above indicating bearish mood. Volume and open interest was low, indicating low participation. Prices decline below moving averages. Oscillator indicating trend to be slightly bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	597	594	601	605	609

TRADE RECOMMENDATION:

Safe strategy: Sell at current level.

Risky strategy: buy at current level with stop loss near S1 and target near R1

Spot Market Prices

Origin/Grade	Center	30 . 12 . 06	29 . 12 . 06	Rs/Kg Change
Mentha Oil	Sambhal	656	650	6.00
Mentha Oil	Chandusi	652	647	5.00
Mentha Oil	Rampur	648	644	3.00
Mentha Oil	Barabanki	628	625	3.00

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