

MENTHA OIL (MCX)

28th December 2006

SPOT MARKETS

Spot markets were witnessing mixed sentiments, as markets MCX was bullish in the early hours, and later turned to bearish mood. Chandusi experienced adequate arrivals from farmers and stockist. Supply was seen from farmers and stockist in Chandusi. Sambhal was incorporating fewer exporters with adequate arrivals. Sambhal went with an intra-day high of Rs.660. Exporters were approaching Sambhal. Rampur continued to experience adequate arrivals. Active buyers were local traders, exporters presence were not felt. Barabanki witnessed adequate arrival with adequate buyers. Barabanki markets were in moderate mood. Spot mentha markets were nodding at MCX tunes.

FUTURES MARKETS

January contract at MCX opened in a bullish tone, but later bearish sentiments tapered the markets lower. Markets were in mixed sentiments. However speculative forces cant be ignored in the futures markets. January contract traded in the range of Rs.612.3-625.6, while February contract traded in the range of Rs.620.5-637. Markets may open firm.

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, but if DAV converges with MACD markets might slightly turn bullish. RSI has cut MA from below. Volume and open interest was low, indicating low participation. Prices decline below moving averages. Oscillator indicating trend to be slightly bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	610	604	614	622	630

TRADE RECOMMENDATION:

Safe strategy: Buy if crosses Rs.620, otherwise stay short

Risky strategy: Buy at current level with a stop loss at 611 and target of 618-620

Spot Market Prices

Origin/Grade	Center	27 . 12 . 06	26 . 12 . 06	Rs/Kg Change
Mentha Oil	Sambhal	655	660	5.00
Mentha Oil	Chandusi	652	650	3.00
Mentha Oil	Rampur	647	648	1.00
Mentha Oil	Barabanki	630	630	0.00

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