

MENTHA OIL (MCX)

30th December 2006

SPOT MARKETS

Spot markets continued to witness mixed sentiments. Chandusi continued to experienced adequate arrivals from farmers and stockist. Sambhal was experiencing adequate arrivals, with unchanged demand. Traders in Sambhal are anticipating higher arrivals in the next trading session. Sambhal went with a intraday high of Rs.657. Rampur continued to experience adequate arrivals. Active buyers were local traders, exporters presence were not felt. Rampur reached with a intra-day high of Rs.654 Barabanki continued to witness adequate arrival with adequate buyers. Spot mentha markets were boogie at MCX tunes. Spot traders are assuming markets to live its path from Monday.

FUTURES MARKETS

January contract at MCX opened in marginally bearish tone. Markets went bullish in the mid-hours but continued with its bearish node in the late hours. Markets lack fundamental support. However speculative forces cant be ignored in the futures markets. January contract traded in the range of Rs.605.2-615.9, while February contract traded in the range of Rs.614.5-625.2.

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 is likely to converge with MA line. 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	602	598	606	613	620

TRADE RECOMMENDATION:

Safe strategy: Sell at current level.

Risky Strategy: Buy at current level with stop loss near S1 and target near 610.

Spot Market Prices

Origin/Grade	Center	29 . 12 . 06	28 . 12 . 06	Rs/Kg Change
Mentha Oil	Sambhal	650	655	5.00
Mentha Oil	Chandausi	647	650	3.00
Mentha Oil	Rampur	644	645	1.00
Mentha Oil	Barabanki	625	628	3.00

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