

MENTHA OIL (MCX)

27th January 2007

SPOT MARKETS

Spot markets opened with a mixed sentiment but, regarding the bullish punch on MCX where prices were rallying spot followed the trail. Rampur was incorporating local demand with lower export demand. Arrivals were adequate in Rampur. Rampur witnessed an intra-day low of Rs.595. Sambhal was experiencing lower demand from exporters and locals. However arrivals were adequate, lower arrivals were reported from MCX warehouse. Sambhal traders anticipating markets to trade range bound. Chandusi experienced lower arrivals at increasing prices. Exporters demand was also not seen in the markets. Lower arrivals were reported from MCX warehouse. Local demand was adequate in Chandusi. Barabanki received adequate arrivals from locals and with exporters demand. Barabanki experienced an intra-day low of Rs.585 then due to the bullish rally on MCX Barabanki revised its prices.

FUTURES MARKETS

January contract at MCX opened with bullish drive. Buying pressure MCX was the one significance for the bullish run. January contract traded in the range of 552.6-562.9 while February contract traded in the range of 557-568.4. Speculation cannot be ignored.

PRICE DRIVERS

1. Arrivals from exchanges warehouse
2. Lower stockiest participation
3. Lower traders participation
4. Speculation cannot be ignored.

TECHNICALS

Candlesticks is indicating bullish. MACD indicate bullish markets as DAV line cuts the MACD line from below and continues to run parallel. RSI line indicating trend to be bullish as RSI line cuts the MA line from below. Volume was lower and open interest was high. Prices on the moving averages. Oscillator indicating trend to be bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	556	549	562.8	566	572

TRADE RECOMMENDATION:

Strategy: buy at current level with stop loss near 559 and target near 566

Epilogue: consolidation Phase.

Spot Market Prices

Origin/Grade	Center	25 . 01 . 07	24 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	615	607	8.00
Mentha Oil	Chandusi	610	605	5.00
Mentha Oil	Rampur	613	603	10.00
Mentha Oil	Barabanki	602	595	7.00

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