

## MENTHA OIL ( MCX )

22<sup>nd</sup> January 2007

### SPOT MARKETS

Spot markets continued to open with bearish sentiments anticipating low trading participants in weekend. Positive correlation was located between spot and future prices. Sambhal reported lower arrivals with lower demand. Exporters presence was not seen since markets were trading bearish from the early hours. Chandusi reported increasing arrivals with lower demand. Exporters presence was not seen, however locals were participation. Chandusi traders continue to assume bearish sentiment for medium term. Rampur continue to witnessed lower arrivals. Lower participation was seen of exporters and locals in Rampur. Traders in Rampur are anticipating prices to stay firm. Barabanki reported lower arrivals, however lower participation was seen from exporters and locals.

### FUTURES MARKETS

January contract at MCX opened with bearish sentiment and traded volatile, however trading session closed with marginal bearish sentiment. Weekender effect is been flaunted in the markets. Speculation cannot be ignored. However, January contract trading in the range of Rs.561.5-552.8 while February contract traded in the range of Rs.566.8-558.8.

### PRICE DRIVERS

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

### TECHNICALS

Candlesticks is indicating doji pattern. MACD indicate bullish markets as DAV line cuts the MACD line from below and continues to run parallel. RSI line indicating trend to be bearish as RSI cuts the MA line from above. Volume was lower and open interest was high. Prices closed below moving averages. Oscillator indicating trend to be bearish. Gann Fan indicating falling trend.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	553	548	556.7	566	577

### TRADE RECOMMENDATION:

**Safe strategy:** wait and watch

**Risky strategy:** buy if crosses 562 with a stop loss near 558 and a target near 569

**Epilogue:** Bearish phase.

### Spot Market Prices

Origin/Grade	Center	20 . 01 . 07	19 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	610	615	5.00
Mentha Oil	Chandusi	612	618	6.00
Mentha Oil	Rampur	604	610	4.00
Mentha Oil	Barabanki	592	600	8.00

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