

MENTHA OIL (MCX)

12th January 2007

SPOT MARKETS

Spot markets opened firm, but later with the bullish rally on the MCX spot followed the trail. Positive correlation is seen with future prices. Barabanki reported lower arrivals with marginally higher demand compared with the arrivals. Locals were actively participating then the exporters in Barabanki. Rampur witnessed lower arrivals with consisting demand. Exporter's presence was not felt but locals sounds were high. Traders in Rampur are anticipating markets can be in range bound territory. Sambhal was experiencing exporters demand with adequate arrivals, but this demand was seen in the late hours. Chandusi received exporters and locals demand. Arrivals in Chandusi are mainly coming from warehouse stocks of the exchanges: reported traders. Traders continue to anticipate spot markets may open firm. Mixed response were seen from spot traders for the next trading session.

FUTURES MARKETS

January contract at MCX opened firm with marginally bullish drive. However in prices were climbing which created bullish sentiments in future markets. January contract trading in the range of Rs.544.5-569.5 while February contract traded in the range of Rs.551.2-576.9. markets may open firm and continue to trade with marginal bullish sentiments.

PRICE DRIVERS

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

TECHNICALS

Candlesticks is indicating bullish pattern. MACD indicate bullish markets as DAV line cuts the MACD line from below. RSI line indicating trend to be bullish. Volume was higher and open interest was low. Prices closed above 9 day moving averages indicating bullish signal. Oscillator indicating trend to be bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	551	535	566.9	576	585

TRADE RECOMMENDATION:

Safe strategy: buy at current level with a stop loss near 553 and a target near 573

Risky strategy: buy at current level with a stop loss near 545 and target near 580.

Epilogue: Bullish indication.

Spot Market Prices

Origin/Grade	Center	10 . 01 . 07	10 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	630	608	3.00
Mentha Oil	Chandusi	625	607	3.00
Mentha Oil	Rampur	625	602	2.00
Mentha Oil	Barabanki	620	600	10.00

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