

MENTHA OIL (MCX)

31st January 2007

SPOT MARKETS

Spot markets opened firm with high demand compared with the previous trading session. Marginal volatility was seen in the spot markets with the volatile movement in the future markets. Rampur was incorporating demand from exporters and locals. However the arrivals were lower compared with the previous day trading session. Price fluctuation was lower in Rampur. Chandusi experienced adequate arrivals which were coming from farmers and stockist, MCX warehouse arrivals were not present in the markets; reported traders. Spot traders tracking MCX said trend to be range bound. Sambhal reported adequate arrivals with the presence of exporters and locals. Barabanki reported arrivals coming from farmers, these arrivals were more than the previous trading session. Exporters presence was felt in the markets, however exporters were demanding at lower prices than the ongoing prices.

FUTURES MARKETS

February contract at MCX opened with bearish sentiments but at the later hours due to buying pressure on the MCX markets again recovered. January contract traded in the range of 557-566 while February contract traded in the range of 557.60-567 and march contract traded in the range of 563.20-571.60. markets are in range bound territory.

PRICE DRIVERS

1. Exporters demand in the spot markets
2. Expiration of January contract
3. Speculation cannot be ignored.

TECHNICALS

Candlesticks is indicating bearish 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 consolidating as the RSI line is converging the MA line from above. Volume was lower and open interest was high. Prices closed above the 9,18 and 27 day moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-February Contract	554	550	565.6	574	580

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: buy at current level with the stop loss near S1 and target near R1

Epilogue: Consolidation Phase.

Spot Market Prices

Origin/Grade	Center	30.01.07	29.01.07	Rs/Kg Change
Mentha Oil	Sambhal	608	604	4.00
Mentha Oil	Chandusi	603	601	2.00
Mentha Oil	Rampur	598	603	5.00
Mentha Oil	Barabanki	588	595	7.00

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