

MENTHA OIL (MCX)

20th January 2007

SPOT MARKETS

Spot markets opened with bearish sentiments as NCDEX delivery was taking place making a psychological bearish tendency. Sambhal reported lower arrivals with adequate demand. This demand was coming from exporters and locals, however lower demand was reported from locals with the bearish sentiments. Sambhal traders are anticipating trend to be range bound. Rampur witnessed lower arrivals. Lower participation was seen of exporters and locals in Rampur. Traders in Rampur are anticipating prices to stay firm. Chandusi reported adequate arrivals. Chandusi was incorporating exporters and locals with lower demand. Chandusi traders are anticipating bearish sentiments in medium term. Barabanki reported lower arrivals, however lower participation was seen from exporters and locals.

FUTURES MARKETS

January contract at MCX opened with firm sentiments but later slashed and continued to trade with bearish sentiments. One significant can be noted as NCDEX delivery was schedule creating a psychological bearish tendency. However, January contract trading in the range of Rs.557.10-568.50 while February contract traded in the range of Rs.563-576.

PRICE DRIVERS

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

TECHNICALS

Candlesticks is 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 bearish as RSI cuts the MA line from above. Volume was lower and open interest was high. Prices closed above 9 day 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	554	550	558.2	572	577

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky strategy: buy if crosses 562 with a stop loss near 558 and a target near 572

Epilogue: Bearish phase.

Spot Market Prices

Origin/Grade	Center	19 . 01 . 07	18 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	615	626	11.00
Mentha Oil	Chandusi	618	624	6.00
Mentha Oil	Rampur	610	620	10.00
Mentha Oil	Barabanki	600	611	11.00

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