

MENTHA OIL (MCX)

5th January 2007

SPOT MARKETS

Spot markets opened in a with bullish sentiments but later became bearish, as following MCX. Chandusi reported adequate arrivals, with equilibrium demand. Exporters presence was not felt in the markets. Chandusi experienced and intra-day high of Rs.635. Sambhal was experiencing lower arrivals with lower demand. Exporters were absent from the markets. Sambhal experienced intra-day high of Rs.640. Rampur received adequate arrivals with less demand from locals as exporters were not approaching the markets. Barabanki established with adequate arrivals and lower demand. Exporters were approaching Barabanki. Barabanki reached an intra-day high of Rs.620. Spot traders are anticipating markets to open firm in the next trading session.

FUTURES MARKETS

January contract at MCX opened higher but later due to bearish sentiments on MCX prices declined. January contract traded bearish but closed higher than previous day, "increasing at a decreasing rate". January contract traded in the range of Rs.562-577.9 while February contract traded in the range of Rs.570.2-585. Traders are anticipating markets to be range bound at the current.

PRICE DRIVERS

1. Less presence of Exporters
2. Less farmers presence.
3. Active traders participation
4. Speculation cannot be ignored.

TECHNICALS

Candlesticks is indicating bearish pattern. MACD continued to indicate bearish markets. RSI line now is wandering in oversold region. Volume and open interest was low, indicating low participation. Prices decline below moving averages. Oscillator indicating trend to be range bound.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	558	552	563.2	573	584

TRADE RECOMMENDATION:

Safe strategy: Sell at current level

Risky strategy: Buy at current level with stop loss near 557 and target near 570.

Spot Market Prices

Origin/Grade	Center	04 . 01 . 07	03 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	628	635	7.00
Mentha Oil	Chandausi	622	630	8.00
Mentha Oil	Rampur	628	632	4.00
Mentha Oil	Barabanki	618	618	0.00

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