

## MENTHA OIL ( MCX )

23<sup>rd</sup> January 2007

### SPOT MARKETS

Spot markets continued to open with bearish sentiments. Positive correlation was located between spot and future prices. Sambhal reported adequate arrivals with lower demand from exporters comparing with yesterdays trading session. Demand from locals was consistence. Chandusi was receiving calls from locals but exporters were not seen. Chandusi traders are anticipating mixed sentiments in the coming trading session. Rampur was incorporating local demand with lower arrivals from farmers and stockist. Exporters presence was not felt in Rampur. Barabanki received adequate arrivals with the presence of exporters. Locals participation with reference to demand was low. Traders said: falling prices on MCX is the one significance behind falling prices in spot markets.

### FUTURES MARKETS

January contract at MCX opened with bearish sentiment and traded volatile. January contract opened at Rs.555, but in the mid session prices slashed to Rs.545 but recovered in the late hours and closed to 553.7. February contract opened at Rs.561 but in the mid session prices slashed to Rs.550.3 but recovered and closed at 559. Speculation cannot be ignored.

### PRICE DRIVERS

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

### TECHNICALS

Candlesticks is indicating bearish hammer 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	547	541	553.7	562	566

### TRADE RECOMMENDATION:

**Safe strategy:** wait and watch

**Risky strategy:** buy if crosses 556 with a stop loss near 550 and a target near 562

**Epilogue:** Bearish phase.

### Spot Market Prices

Origin/Grade	Center	22 . 01 . 07	20 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	605	610	5.00
Mentha Oil	Chandusi	602	612	10.00
Mentha Oil	Rampur	600	604	4.00
Mentha Oil	Barabanki	590	592	2.00

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