

## MENTHA OIL ( MCX )

13<sup>th</sup> January 2007

### SPOT MARKETS

Spot markets opened with bullish node but later due to MCX bearish sentiments prices spot price followed the trait. Positive correlation is seen with future prices. Barabanki continued to report lower arrivals with marginally higher demand compared with the arrivals. Locals were actively participating then the exporters in Barabanki. Rampur witnessed adequate arrivals with lower demand from exporters. Participation of locals was noted. Traders in Rampur are anticipating markets can be in range bound territory. Sambhal was experiencing exporters demand with adequate arrivals. Local participation was seen in Sambhal. Chandusi received exporters and locals demand. Arrivals in Chandusi are mainly coming from warehouse stocks of the exchanges: reported traders. However arrivals were reported less in Chandusi, with less stockist participation.

### FUTURES MARKETS

January contract at MCX opened firm but later bearish sentiments drove the markets and markets closed in range bound territory. January contract trading in the range of Rs.550-568.8 while February contract traded in the range of Rs.556-576.9. 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 bearish pattern. MACD indicate bullish markets as DAV line cuts the MACD line from below. RSI line indicating trend to be bullish. Volume was low and open interest was high. Prices closed above 9 day moving averages indicating bullish signal. Oscillator indicating trend to be bearish.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	546	538	553	567	574

### TRADE RECOMMENDATION:

**Safe strategy:** buy at current level with a stop loss near 550 and target of 560

**Risky strategy:** buy at current level with a stop loss near 545 and target near 563.

**Epilogue:** Consolidation phase.

### Spot Market Prices

Origin/Grade	Center	12 . 01 . 07	11 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	618	630	12.00
Mentha Oil	Chandusi	615	625	10.00
Mentha Oil	Rampur	614	625	11.00
Mentha Oil	Barabanki	610	620	10.00

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