

## MENTHA OIL ( MCX )

17<sup>th</sup> January 2007

### SPOT MARKETS

Spot markets opened with bullish undertone but later due to bearish sentiments on MCX spot slashed with MCX. Positive correlation continues between spot and future prices. Barabanki continued to report lower arrivals from farmers. Adequate demand was experienced in Barabanki, demand was coming from exporters. Rampur was at an intraday high of Rs.630, but clashed to Rs.620. Adequate arrivals were coming from farmers, with the presence of local buyers. Exporters were not participating. Sambhal was experiencing arrivals from exchange warehouse and stockist. However, demand reported to be was lower with the fall in prices. Chandusi experienced lower demand with fewer arrivals. Arrivals were mainly coming from exchanges warehouse. Exporters were approaching the markets.

### FUTURES MARKETS

January contract at MCX opened with bearish sentiments and continued to follow the trend. Markets again slashed below the psychological level of Rs.570. Traders are anticipating correction to come in the futures markets very soon. However, January contract trading in the range of Rs.559.5-582.5 while February contract traded in the range of Rs.567.3-589.9.

### 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 markets. MACD indicate bullish markets as DAV line cuts the MACD line from below. RSI line indicating trend to be bullish. Volume and open interest was high. Prices closed above 9 day moving averages and on 18 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	556	545	562.8	577	591

### TRADE RECOMMENDATION:

**Safe strategy:** wait and see

**Risky strategy:** buy at current level with a stop loss near 556 and a target near 572.

**Epilogue:** Correction phase.

### Spot Market Prices

Origin/Grade	Center	16 . 01 . 07	15 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	625	640	15.00
Mentha Oil	Chandusi	622	635	13.00
Mentha Oil	Rampur	620	634	14.00
Mentha Oil	Barabanki	610	625	15.00

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