

## MENTHA OIL ( MCX )

24<sup>th</sup> January 2007

### SPOT MARKETS

Spot markets opened with mixed sentiments but later with the falling prices on MCX spot markets followed the tune. Positive correlation was seen between spot and future prices. Sambhal reported lower arrivals, while demand from exporters was felt. Local demand was lower. Farmers were not approaching the markets; one significance can be stated as lower prices in spot prices. MCX warehouse arrivals were lower in Sambhal. Chandusi experienced lower arrivals with lower participation from exporters and locals. With the rise in the MCX prices Chandusi reached intra-day high of Rs.610 and slashed before closing. Rampur was incorporating local demand with lower arrivals from farmers and stockist. Barabanki received lower arrivals with the presence of exporters. Locals participation with reference to demand was low.

### FUTURES MARKETS

January contract at MCX opened with marginal bullish sentiments, and reached at intra-day high of Rs.558.8 then slashed to Rs.549.1. One significance: lower demand which is driving the prices. February contract opened at Rs.560 and reached an intra-day high of 564.7 then slashed to Rs.555. 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. 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 and if indicating downward trend. 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	545	535	549.1	559	566

### TRADE RECOMMENDATION:

**Safe strategy:** wait and watch

**Risky strategy:** buy if crosses 556 with a stop loss near 550 and a target near 560

**Epilogue:** Bearish phase.

### Spot Market Prices

		Rs/Kg		
Origin/Grade	Center	23 . 01 . 07	22 . 01 . 07	Change
Mentha Oil	Sambhal	603	605	2.00
Mentha Oil	Chandusi	605	602	3.00
Mentha Oil	Rampur	600	600	0.00
Mentha Oil	Barabanki	592	590	2.00

### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt. Ltd.