

## MENTHA OIL ( MCX )

2<sup>nd</sup> January 2007

### SPOT MARKETS

Spot markets were in a bearish node due to the fall in future prices on MCX. Spot traders are backing the existence of speculative forces in the markets. Chandusi was experiencing lower arrivals with existing demand. Presence of exporters was not felt in Chandusi. However locals were also not active in Chandusi. Adequate arrivals were seen in the markets of Sambhal. Demand was lower through out the trading session, as exporters presence was absent from the markets. Traders are anticipating higher arrivals in the coming trading session. Rampur was experiencing less demand from locals, presence of exporters was not felt. Adequate arrivals were noted in Rampur. Barabanki continued to witness adequate arrival with the presence of few exporters, however local buyers presence cannot be ignored.

### FUTURES MARKETS

January contract at MCX opened in a bearish tone. Markets are lacking fundamental support. Therefore speculative forces cant be ignored in the futures markets. January contract traded in the range of Rs.585-605.7, while February contract traded in range of Rs.593-614.9.

### PRICE DRIVERS

1. Stockist presence in the markets.
2. Less farmers presence.
3. Active traders participation
4. Speculation cannot be ignored.

### TECHNICALS

Candlesticks is indicating bearish pattern. MACD indicating bearish markets. RSI cuts MA line from above indicating bearish mood. Volume and open interest was low, indicating low participation. Prices decline below moving averages. Oscillator indicating trend to be bearish.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	579	571	586.4	600	613

### TRADE RECOMMENDATION:

**Safe strategy:** Sell at current level.

### Spot Market Prices

Origin/Grade	Center	01 . 01 . 07	30 . 12 . 06	Rs/Kg Change
Mentha Oil	Sambhal	645	656	11.00
Mentha Oil	Chandausi	642	652	10.00
Mentha Oil	Rampur	639	648	9.00
Mentha Oil	Barabanki	620	628	8.00

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