

## MENTHA OIL ( MCX )

4<sup>th</sup> January 2007

### SPOT MARKETS

Spot markets opened in a bearish tone but later with the MCX trading bullish Markets made correction. Chandusi continued to experience lower arrivals with adequate demand from locals and exporters. Chandusi noted an intra-day low of Rs.618. Adequate arrivals were noted in Sambhal with increasing demand. Active participants were exporters and locals. Sambhal behaved with an intra-day low of Rs.625, and then crawled back to its current level. Rampur was experiencing less demand from locals presence of exporters was not felt. Barabanki witness lower arrivals with the presence of few exporters. Moderate demand was noticed in the spot markets of Barabanki. Spot traders are anticipating markets to open firm in the next trading session.

### FUTURES MARKETS

January contract at MCX traded with bearish sentiment in the early hours but due to active buying in late hours MCX traded bullish. Compared with previous closing marginal rise of Rs.4.30 was seen in February contract and Rs.3.80 in March contract while January contract was marginally down with Rs.0.20. January contract traded in the range of Rs.557.3-572 while February contract traded in the range of Rs.565.1-581.

### 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 bullish pattern. MACD continued to indicate bearish markets. RSI line now is wandering in oversold region. Volume and open interest was low, indicating low participation. Prices decline below moving averages. Oscillator indicating trend to be bullish.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	562	552	571.5	577	582

### TRADE RECOMMENDATION:

**Safe strategy:** Hold position with a stop loss near Rs.565 and a target near 576

**Risky strategy:** Buy at current level with target near R1 and stop loss near S1.

### Spot Market Prices

Origin/Grade	Center	03 . 01 . 07	02 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	635	641	6.00
Mentha Oil	Chandausi	630	637	7.00
Mentha Oil	Rampur	632	635	3.00
Mentha Oil	Barabanki	618	615	3.00

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