

MENTHA OIL (MCX)

6th January 2007

SPOT MARKETS

Spot markets opened with bearish sentiments. Chandusi continued to reported adequate arrivals, with equilibrium demand. Exporter's presence was not felt in Chandusi. However demand was reported less in Chandusi. Sambhal was experiencing lower arrivals with lower demand. Traders reported arrivals are coming from stockist, farmers are not willing to contribute at lower prices. Exporter's presence was not felt in Sambhal. Rampur received adequate arrivals with less demand from locals as exporters were not approaching the markets. Barabanki was receiving adequate arrivals and lower demand. Exporters presence was lower in Barabanki. Traders reported exchange warehouse stocks have gained substantially in the last fortnight period, leading to increase supply. Traders also said markets are likely to be bearish.

FUTURES MARKETS

January contract at MCX followed bearish sentiments. MCX was lower compare to the previous days level. January contract clashed with 1.96%, while February contract lowered with 2.25%. January contract traded in the range of Rs.551.5-565.5 while February contract traded in the range of Rs.560-570.

PRICE DRIVERS

1. Less presence of Exporters
2. Less farmers presence.
3. Active traders participation
4. Speculation cannot be ignored.

TECHNICALS

Candlesticks is indicating bearish 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 bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	550	543	554.8	563	571

TRADE RECOMMENDATION:

Safe strategy: Sell at current level

Spot Market Prices

Origin/Grade	Center	05 . 01 . 07	04 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	624	628	4.00
Mentha Oil	Chandausi	622	622	0.00
Mentha Oil	Rampur	626	628	2.00
Mentha Oil	Barabanki	615	618	3.00

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