

## MENTHA OIL ( MCX )

11<sup>th</sup> January 2007

### SPOT MARKETS

Spot markets opened firm with marginal bullish sentiments. Barabanki reported lower arrivals with less demand. Higher demand was seen in the late hours from exporters in Barabanki. Rampur witnessed higher arrivals with demand. Exporters were absent from the markets but locals demand was high. Traders in Rampur are anticipating markets can be in range bound territory. Sambhal was experiencing exporters demand with adequate arrivals, but this demand was seen in the late hours. Another reason traders anticipated prices to be lower this might be the MCX warehouse stock. Chandusi received exporters demand with adequate arrivals. arrivals in Chandusi are mainly coming from warehouse stocks of the exchanges: reported traders. Traders continue to anticipate spot markets may open firm. Mixed response were seen from spot traders for the next trading session.

### FUTURES MARKETS

January contract at MCX opened bullish in the early hours but in the mid-period it turned bearish, however in the closing prices turned bullish. Overall markets traded range bound, with January contract trading in the range of Rs.532-553.7 while February contract traded in the range of Rs.541-560.5 Higher speculation is being noted in the futures markets. Markets may follow the present trend(consolidation phase).

### PRICE DRIVERS

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

### TECHNICALS

Candlesticks is indicating bullish pattern. MACD continued to indicate markets are consolidation phase. RSI line indicating trend to be range bound. Volume was higher and open interest was low. Prices continued to be below averages moving averages. Oscillator indicating trend to be bullish.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	532	521	543.6	554	565

### TRADE RECOMMENDATION:

**Safe strategy:** sell at current level

**Risky strategy:** buy at current level with stop loss near 532 and a target near 553-557.

**Epilogue:** Wait and see indication.

### Spot Market Prices

Origin/Grade	Center	10 . 01 . 07	09 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	608	605	3.00
Mentha Oil	Chandusi	607	604	3.00
Mentha Oil	Rampur	602	600	2.00
Mentha Oil	Barabanki	600	590	10.00

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