

MENTHA OIL (MCX)

10th January 2007

SPOT MARKETS

Spot markets opened with bullish sentiments but later concluded with bearish sentiment. Barabanki reported with adequate arrivals and lower demand. Exporters were not actively participating. Barabanki witnessed an intraday high of Rs.610. Rampur witnessed equilibrium arrivals with demand. Exporters were absent from the markets but locals were present. Rampur received an intraday high of Rs.613. Traders in Rampur are anticipating markets can be in range bound territory. Sambhal was hearing exporters sounds in the early hours but later fewer presence of exporters were felt. Another reason traders anticipated prices to be lower this might be the MCX warehouse stock. Chandusi experienced an intraday high of Rs.615 with lower arrivals and less demand from exporters. Locals were incorporating arrivals from stockist in Chandusi. Spot markets may open firm traders anticipated.

FUTURES MARKETS

January contract at MCX followed bearish sentiments, as the market opened bullish. January contract slashed with 3.80% while February contract slashed with 3.58%. January contract traded in the range of Rs.531.2-573 while February contract traded in the range of Rs.539.50-583 Higher speculation is being noted in the futures markets

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 indicate markets might enter an 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 bearish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	523	506	539.6	565	590

TRADE RECOMMENDATION:

Safe strategy: sell at current level

Risky strategy: buy at current level with a stop loss near 533 and a target of 550.

Epilogue: Wait and see indication.

Spot Market Prices

Origin/Grade	Center	09 . 01 . 07	08 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	605	625	20.00
Mentha Oil	Chandusi	604	620	16.00
Mentha Oil	Rampur	600	620	20.00
Mentha Oil	Barabanki	590	620	30.00

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