

## MENTHA OIL ( MCX )

29<sup>th</sup> January 2007

### SPOT MARKETS

Spot markets opened with a bullish sentiment. Unique significance was seen, between the spot and future prices; MCX closed at Rs.11. high at the other end spot prices witnessed a high of Rs.3.75. on an average this lateral behaviour of prices was not witnessed earlier. When MCX use to witness an Rs.10 high spot prices also use to experience the same increase with marginally difference. Rampur experienced lower arrivals with adequate demand coming from locals. Exporter's presence was not felt. Chandusi witnessed lower demand from exporters with active local participation. Exporters are expected to buy at lower prices: reported traders. Sambhal reported adequate local demand with the participation of exporters. Arrivals were reported from farmers and stockist. Barabanki witnessed lower arrivals with presence of exporters. adequate arrivals were experienced in Barabanki.

### FUTURES MARKETS

January contract at MCX opened with bullish drive. January contract opened at Rs.563.1 and traded with bullish sentiment with high of Rs.11.70 and closed at Rs.573.1. February contract opened at 568.5 with a high of Rs.9.80 before closing at Rs.576.6. Speculation cannot be ignored.

### PRICE DRIVERS

1. Arrivals from exchanges warehouse
2. Lower stockiest participation
3. Lower traders participation
4. Speculation cannot be ignored.

### TECHNICALS

Candlesticks is indicating three man bullish pattern. MACD indicate bullish markets as DAV line cuts the MACD line from below and continues to run parallel. RSI line indicating trend to be bullish as RSI line cuts the MA line from below and roving upwards. Volume was lower and open interest was high. Prices closed above the 9,18 and 27 day moving averages. Oscillator indicated trend to be bullish.



### SUPPORT / RESISTANCES:

| Contract                        | S1  | S2  | PCP   | R1  | R2  |
|---------------------------------|-----|-----|-------|-----|-----|
| MCX-Mentha Oil-January Contract | 556 | 550 | 573.1 | 578 | 582 |

### TRADE RECOMMENDATION:

**Safe strategy:** Hold position with a target of 577 with stop loss near 568

**Risky Strategy:** buy at current level with stop loss near 566 and target near 578

**Epilogue:** Consolidation Phase.

### Spot Market Prices

| Origin/Grade | Center    | 27 . 01 . 07 | 25 . 01 . 07 | Rs/Kg<br>Change |
|--------------|-----------|--------------|--------------|-----------------|
| Mentha Oil   | Sambhal   | 616          | 615          | 1.00            |
| Mentha Oil   | Chandusi  | 614          | 610          | 4.00            |
| Mentha Oil   | Rampur    | 615          | 613          | 2.00            |
| Mentha Oil   | Barabanki | 610          | 602          | 8.00            |

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