

MENTHA OIL (MCX)

1st February 2007

SPOT MARKETS

Spot markets opened with firm sentiments, but with the bullish rally on MCX spot markets was bargaining for higher prices. However fewer exporters were noted at higher prices. Lower movements were seen in spot prices visa-a-vis with the future prices. Rampur was incorporating demand from fewer exporters and locals with higher prices. However the arrivals were comparatively lower with the prior trading session. Chandusi experienced adequate arrivals from stockiest, however arrivals from farmers were lower. Sambhal reported adequate arrivals with the presence of exporters and locals. Barabanki reported arrivals coming from farmers, these arrivals were lower than the previous trading session. Barabanki did not experience a rise in prices as exporters were not agreeing with the rise in the prices. Hence exporters were buying at lower price levels

FUTURES MARKETS

February contract at MCX opened with bullish sentiment a rise of approximately Rs.15 was seen in both the contracts. However with the profit booking pressure prices calm down to Rs.11.10 in February contract and March contract to Rs.8.90. February contract traded in the range of 564.90-580 while March contract traded in the range of 568.30-584.60.

PRICE DRIVERS

1. Exporters demand in the spot markets
2. Expiration of January contract
3. Speculation cannot be ignored.

TECHNICALS

Candlesticks is indicating 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 the RSI line has cut the MA line from below. Volume was lower and open interest was high. Prices closed above the 9,18 and 27 day moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-February Contract	567	558	575.5	582	590

TRADE RECOMMENDATION:

Safe strategy: buy at current level at stop loss near 572 and a target near 580 (Strong resistance between 585-590 as markets has touch this level before and slashed down)

Risky Strategy: buy at current level with the stop loss near S1 and target near R1

Epilogue: Consolidation Phase.

Spot Market Prices

Origin/Grade	Center	01. 02. 07	30.01.07	Rs/Kg Change
Mentha Oil	Sambhal	610	608	2.00
Mentha Oil	Chandusi	606	603	3.00
Mentha Oil	Rampur	600	598	2.00
Mentha Oil	Barabanki	588	588	0.00

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