

MENTHA OIL (MCX)

15th January 2007

SPOT MARKETS

Spot markets opened with mixed sentiments in the early hours but later due to bullish run on the MCX spot followed the trail. Positive correlation continues between spot and future prices. Barabanki continued to report lower arrivals with marginally higher demand compared with the arrivals. Locals were actively participating then the exporters in Barabanki. Rampur witnessed adequate arrivals with subdue demand from exporters. These arrivals were mainly coming from small farmers. Participation of locals was noted. Sambhal was experiencing exporters demand with adequate arrivals. Local participation was seen in Sambhal. Arrivals here were from MCX warehouse: reported traders. Chandusi received higher exporters and locals demand. Fewer arrivals were from MCX warehouse this gap was filled by stockist and farmers. However arrivals were reported less in Chandusi, with less stockist participation.

FUTURES MARKETS

January contract at MCX opened with a bullish sentiment. However the markets were not able to cross the psychological barrier of 570 as markets are going through a consolidation phase moving range bound. January contract trading in the range of Rs.551.5-566.3 while February contract traded in the range of Rs.558.5-574.

PRICE DRIVERS

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

TECHNICALS

Candlesticks is indicating bullish pattern. MACD indicate bullish markets as DAV line cuts the MACD line from below. RSI line indicating trend to be bullish. Volume was low and open interest was high. Prices closed above 9 day moving averages indicating bullish signal. Oscillator indicating trend to be bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	554	545	562.5	569	575

TRADE RECOMMENDATION:

Safe strategy: Wait and watch.

Risky strategy: hold position with a stop loss near 554 and target of 567

Epilogue: Consolidation phase.

Spot Market Prices

Origin/Grade	Center	13 . 01 . 07	12 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	634	618	16.00
Mentha Oil	Chandausi	632	615	17.00
Mentha Oil	Rampur	628	614	14.00
Mentha Oil	Barabanki	620	610	10.00

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