

MENTHA OIL (MCX)

25th January 2007

SPOT MARKETS

Spot markets opened with bearish sentiments but later due to bullish run on MCX spot markets continued to follow the trail. Positive correlation was seen between spot and future prices. Sambhal reported adequate arrivals with the presence of exporters. After the bullish rally on MCX higher participation was noted. Traders in Sambhal are anticipating spot markets to open firm for the next trading session. MCX warehouse arrivals were lower in Sambhal. Chandusi experienced lower arrivals with lower participation from exporters and locals. With the rise in the MCX prices Chandusi reached intra-day high of Rs.609. Rampur was receiving lower arrivals in the with minimum participation from exporters. Locals participation was also lower. Barabanki received lower arrivals with the presence of exporters. Locals participation with reference to demand was low.

FUTURES MARKETS

January contract at MCX opened with marginal bearish sentiments but later due to bullish rally markets closed in a bullish sentiment. January contract traded in the range of 540-555.9 while February contract traded in the range of 545-560.5. 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 bullish. MACD indicate bullish markets as DAV line cuts the MACD line from below and continues to run parallel. RSI line indicating trend to be bearish as RSI cuts the MA line from above and if indicating downward trend. Volume was lower and open interest was high. Prices closed below moving averages. Oscillator indicating trend to be bearish. Gann Fan indicating falling trend.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	545	534	555.9	561	566

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Epilogue: consolidation Phase.

Spot Market Prices

Origin/Grade	Center	24 . 01 . 07	23 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	607	603	4.00
Mentha Oil	Chandusi	605	605	0.00
Mentha Oil	Rampur	603	600	3.00
Mentha Oil	Barabanki	595	592	3.00

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