

## MENTHA OIL ( MCX )

19<sup>th</sup> January 2007

### SPOT MARKETS

Spot markets opened with bullish sentiments. Positive correlation continues between spot and future prices. Barabanki reported adequate arrivals. Barabanki was incorporating exporters and locals with adequate arrivals creating an equilibrium situation. Rampur witnessed lower arrivals with. Exporter's presence was not felt in Rampur. Locals were participating in Rampur; however when MCX prices were down lower participation was noted. Rampur experienced an intra-day high of Rs.624. Sambhal continue to experience lower arrivals with existing demand from exporters and locals. Arrivals were also reported from exchange warehouse. Chandusi experienced lower demand from exporters. Arrivals were coming from exchange warehouse.

### FUTURES MARKETS

January contract at MCX opened with bullish sentiments and traded bullish throughout the trading session. However profit booking was seen in the late hours, but the markets closed in bullish sentiments. Markets are moving range bound and were not able to crack the psychological level of 580. However, January contract trading in the range of Rs.566.20-577 while February contract traded in the range of Rs.571.20-584.40.

### PRICE DRIVERS

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

### TECHNICALS

Candlesticks is inverted hammer pattern indicating strong bullish sentiment. MACD indicate bullish markets as DAV line cuts the MACD line from below and continues to run parallel. RSI line indicating trend to be consolidating at present level. Volume was lower and open interest was high. Prices closed above 9 day moving averages. Oscillator indicating trend to be marginally bearish. Gann Fan indicating falling trend.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-January Contract	564	560	568.2	575	581

### TRADE RECOMMENDATION:

**Safe strategy:** wait and see

**Risky strategy:** buy at current level with a stop loss near 560 and a target near 576.

**Epilogue:** Consolidation phase.

### Spot Market Prices

Origin/Grade	Center	18 . 01 . 07	17 . 01 . 07	Rs/Kg Change
Mentha Oil	Sambhal	626	625	1.00
Mentha Oil	Chandasi	624	622	0.00
Mentha Oil	Rampur	620	620	0.00
Mentha Oil	Barabanki	611	610	1.00

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