

## MENTHA OIL ( MCX )

22<sup>nd</sup> February 2007

### SPOT MARKETS

Spot markets opened with firm sentiments, but with volatile prices on MCX spot markets followed the trail. However when prices slashed on MCX spot markets did not responded to the falling prices due to high demand and low arrivals. Lower influx of arrivals was seen in Rampur due to lack of farmers participation. Higher demand was coming from locals, while exporter's participation was adequate in Rampur. Chandusi experienced lower arrivals with adequate demand from exporters. Locals were also seen in Chandusi. In Sambhal adequate exporters were present but lower arrivals were coming from farmers and stockist. Higher participation from locals and exporters was seen in the markets. Barabanki received adequate arrivals with active local demand. Exporters were bargaining at Rs.595/kg. Exporters demand was higher compared to previous trading session.

### FUTURES MARKETS

March contract at MCX opened at Rs.581.9/kg and reached a low of Rs.576/kg and closed with a high of Rs.586/kg. While April contract opened at Rs.585/kg reached a low of Rs.580.3/kg and a high of Rs.589.5/kg before closing at Rs.589.1/kg.

### PRICE DRIVERS

1. Adequate Exporter's demand
2. Local demand in the spot markets
3. Lower arrivals in spot markets
4. Speculation cannot be ignored

Warehouse stock	Kg	Drums
MCX	613691.820	3409.399

### TECHNICALS

Candlesticks is indicating bullish pattern. MACD indicate markets show bearish tendency as the difference between MACD and DAV is turning to be negative. RSI line has cut the Ma line from below indicating slightly bullish tendency in the markets. Volume was lower and open interest was high. Prices closed below moving averages.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-March Contract	576	570	586	597	602

### TRADE RECOMMENDATION:

**Safe strategy:** wait and watch

**Risky Strategy:** Hold position with a stop loss near 582 and target near 588

**Epilogue:** Consolidation Phase.

### Spot Market Prices

Origin/Grade	Center	21. 02. 07	20. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	611	603	8.00
Mentha Oil	Chandusi	612	606	6.00
Mentha Oil	Rampur	606	598	8.00
Mentha Oil	Barabanki	604	600	4.00

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