

MENTHA OIL (MCX)

23rd February 2007

SPOT MARKETS

Spot markets opened with firm sentiments, but with bearish sentiments on MCX spot followed the trail. Chandusi experienced adequate arrivals from farmers and stockist. Exporters demand was lower in Chandusi, while local demand was competitive. Rampur continued to receive lower influx of arrivals due to lack of farmers participation. Exporter's presence was not located in Rampur, but local demand continued to flavour the markets. Barabanki received lower arrivals, with adequate local demand. Exporters were bargaining at Rs.595/. Arrivals in Barabanki were mainly coming from Exporters. Sambhal experienced adequate arrivals with the presence of locals. However arrivals were less compared with previous trading session. Exporter's presence was not felt in Sambhal.

FUTURES MARKETS

March contract at MCX opened at Rs.590 and continued to trade with bearish sentiment. However March contract experienced a low of Rs.581.6 before closing at Rs.583. April contract opened at Rs.594.9 experienced a low of Rs.587.4 before closing at Rs.593.3.

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	562272.270	3123.735

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 above indicating bearish tendency in the markets. Volume was lower and open interest was high. Prices closed on the moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-March Contract	576	570	583	597	602

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: Buy at 580 with stop loss near S1 and target near 590

Epilogue: Consolidation Phase.

Spot Market Prices

Origin/Grade	Center	23. 02. 07	22. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	608	613	-5.00
Mentha Oil	Chandusi	609	616	-7.00
Mentha Oil	Rampur	603	609	-6.00
Mentha Oil	Barabanki	600	605	-5.00

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