

MENTHA OIL (MCX)

17th February 2007

SPOT MARKETS

Spot markets opened with firm sentiments but with the marginal bullish sentiments on MCX prices reached a marginal high and then with the slide in MCX prices slashed marginally. Rampur experienced lower arrivals; the reason behind this can be sited to festive season. Exporter's presence was not seen in Rampur. Local buying was taking place in Rampur. Chandusi experienced lower arrivals with lower demand from exporters. However local demand continued to flavour the markets. Sambhal received adequate arrivals from farmers. Local demand was seen in the markets but exporter's presence was lower in the spot markets. Barabanki received lower arrivals with adequate local demand. Lower arrivals were due to festive presence in the Barabanki. Exporters presence were lower compared with the previous trading session in Barabanki.

FUTURES MARKETS

February contract at MCX opened at bullish punch at Rs.581.2/kg and continued to trade with marginal bullish sentiment but in the later hours MCX slashed to Rs.572.6 before closing at Rs.574.2. March contract opened at Rs.586.5 reached a high of Rs.591.7 and slashed to Rs.578.5 before closing at Rs.579.9

PRICE DRIVERS

1. Exporters demand in the spot markets.
2. Bearish sentiment in futures market
3. Local demand in the spot markets
4. Speculation cannot be ignored.

TECHNICALS

Candlesticks is indicating bearish pattern. MACD indicate bullish markets as DAV runs parallel with the MACD with a greater difference. RSI line indicating trend to be bearish as the RSI cuts the MA line from above and is hovering downwards. Volume was lower and open interest was high. Prices closed above the on moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-February Contract	570	562	574.2	589	602

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: buy if crosses 582 with stop loss near 578 and target near R1

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	16. 02. 07	15. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	602	602	0.00
Mentha Oil	Chandusi	603	606	-3.00
Mentha Oil	Rampur	598	602	-4.00
Mentha Oil	Barabanki	595	598	-3.00

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