

MENTHA OIL (MCX)

10th February 2007

SPOT MARKETS

Spot markets opened firm but with MCX moving southwards spot continue the trail. Rampur experienced higher arrivals with the rising prices in spot markets. Exporter's presence was felt in Rampur. Local buying was seen in Rampur. Chandusi continued experience higher arrivals with the existing demand. Buying was taking place in Chandusi with volatile prices. Chandusi acquired an intra-day high of Rs.628/kg. Sambhal was adequate local demand with higher arrivals which was coming from farmers. Exporters were buying but the bargaining pressure was felt on traders. Barabanki experienced higher arrivals with the presence of exporters. Exporters were buying from Barabanki as bargaining prices. The overall scenario in the spot markets was higher arrivals in the markets with exporters demand and locals were acquiring bold. Spot traders are anticipating markets to trade with mixed sentiments.

FUTURES MARKETS

February contract at MCX opened in a bullish node at Rs.610.1 and reached a high of Rs.614.4, but in the late hours MCX slashed to Rs.600.2 with a volatility of approximately Rs.15. Similar behaviour was seen in March contract which opened at 610.9 reached a high of 618.3 and slashed to 605.3

PRICE DRIVERS

1. Exporters demand in the spot markets.
2. Higher arrivals in spot markets.
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 consolidating as the RSI line is converging to MA line from above. Volume was lower and open interest was high. Prices closed above the 9,18 and 27 day moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-February Contract	595	586	600.2	612	615

TRADE RECOMMENDATION:

Safe strategy: wait and watch (markets may take a trading session to improve.)

Risky Strategy: buy at current level with the stop loss near S1 and target near R1

Epilogue: Covering Phase.

Spot Market Prices

Rs/Kg

Origin/Grade	Center	09. 02. 07	08. 02. 07	Change
Mentha Oil	Sambhal	615	625	10.00
Mentha Oil	Chandusi	620	626	6.00
Mentha Oil	Rampur	610	620	10.00
Mentha Oil	Barabanki	607	615	8.00

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