

## MENTHA OIL ( MCX )

1<sup>st</sup> March 2007

### SPOT MARKETS

Spot markets opened on a firm note with the presence of Demand. Decline in spot prices were lower compared to MCX prices indicating presence of demand. Chandusi experienced adequate arrivals from farmers and lower from stockist. Exporters demand was lower in Chandusi with the falling prices, while local demand was present. Rampur received lower arrivals with lower presence of exporters. Local demand was supporting the markets. Arrivals in Rampur were mainly noted from farmers. Barabanki received adequate arrivals coming from farmers and lower from stockist. Exporters were bargaining at Rs.590, in the early hours but with the fall in MCX prices exporters bargained at Rs.585. Sambhal experienced lower arrivals with the presence of locals. Spot traders are perceiving markets to continue with the present sentiments.

### FUTURES MARKETS

March contract at MCX opened at Rs.579 and traded with bearish sentiment reaching a low of Rs.572.3 before closing at Rs.574.8. April contract opened at Rs.585.5 reached a low of Rs.579.2 before closing at 581.5.

### 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	570248.470	3168.047

### TECHNICALS

Candlesticks is indicating bearish 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 and continues to trend lower 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	568	560	574.8	586	590

### TRADE RECOMMENDATION:

**Safe strategy:** wait and watch

**Risky Strategy:** buy at 570 with stop loss near S1 and target near 575.

**Epilogue:** Consolidation Phase.

### Spot Market Prices

Rs/Kg

Origin/Grade	Center	28. 02. 07	27. 02. 07	Change
Mentha Oil	Sambhal	604	606	-2.00
Mentha Oil	Chandusi	605	608	-3.00
Mentha Oil	Rampur	600	603	-3.00
Mentha Oil	Barabanki	595	598	-3.00

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