

## MENTHA OIL ( MCX )

12<sup>th</sup> February 2007

### SPOT MARKETS

Spot markets opened firm but lower trading activity took place in spot markets due to heavy rains. However spot prices were following MCX trail. Rampur experienced lower arrivals with the rising prices in spot markets. 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. Arrivals from farmers were reported to be less: traders reported. Sambhal also received lower arrivals from farmers due to ill weather. Local demand was seen in the markets but exporters presence was absent in the spot markets. Barabanki received lower demand from exporters with lower arrivals. Lower influx of arrivals was seen in the markets from farmers. Stockists were supporting the markets in Barabanki. Spot traders are anticipating markets to be bullish for the next trading session.

### FUTURES MARKETS

February contract at MCX opened in a firm node at Rs.601.9 and reached a high of Rs.607.4, and later closed at Rs.605.7. while March contract which opened at Rs.606 reached a high of 614.3 and closed at Rs.612.4. higher volatility was seen in the March contract then the near month contract.

### 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 bullish 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	599	593	605.7	614	625

### TRADE RECOMMENDATION:

**Safe strategy:** buy at current level with stop loss near 602 and target near 612

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

**Epilogue:** Covering Phase.

### Spot Market Prices

Origin/Grade	Center	10. 02. 07	09. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	620	615	5.00
Mentha Oil	Chandusi	622	620	2.00
Mentha Oil	Rampur	618	610	8.00
Mentha Oil	Barabanki	610	607	3.00

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