

MENTHA OIL (MCX)

23rd February 2007

SPOT MARKETS

Spot markets opened with firm sentiments, but with bullish sentiments on MCX spot followed the trail. Prices were less responsive in Rampur and Barabanki. Chandusi experienced lower arrivals from farmers and stockist {traders reported stockist have less stocks}. Exporters demand were adequate 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/kg but equilibrium occurred at Rs.600/kg. Sambhal experienced adequate arrivals with the presence of locals. Exporters demand was high in Sambhal.

FUTURES MARKETS

March contract at MCX opened with a bullish punch at Rs.587.5 higher with Rs.2.9 than the close of previous trading session. However March contract experienced volatility, reaching a high of Rs.595 and a low of Rs.585 before closing at Rs.589.4. April contract opened at Rs.589.9 experienced volatility of Rs.10 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 below and continued to hover upwards indicating slightly bullish tendency in the markets. Volume was lower and open interest was high. Prices closed below moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-March Contract	576	570	589.4	597	602

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: Hold position with a stop loss near 585 and target near 595.

Epilogue: Consolidation Phase.

Spot Market Prices

Origin/Grade	Center	22. 02. 07	21. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	613	611	2.00
Mentha Oil	Chandusi	616	612	4.00
Mentha Oil	Rampur	609	606	3.00
Mentha Oil	Barabanki	605	604	1.00

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