

MENTHA OIL (MCX)

21th February 2007

SPOT MARKETS

Spot markets opened with firm sentiments, but local demand continued to flavour spot markets and with negligible rise in spot markets of Chandusi and Sambhal. Lower influx of arrivals was seen in Rampur due to lack of farmers participation. Higher demand was coming from locals, while exporter's participation was less in Rampur. Chandusi experienced lower arrivals with lower participation from exporters. Locals were keeping the pace of demand in Chandusi. Due to local demand Chandusi was in equilibrium between demand and supply. In Sambhal adequate exporters were present but lower arrivals were coming from farmers and stockist. Locals were filling the gap of exporters in Sambhal. Barabanki received adequate arrivals from farmers with adequate demand from locals. Exporter's participation was higher in Barabanki, while bargaining at Rs.590/kg.

FUTURES MARKETS

March contract at MCX opened at Rs.585.9/kg and reached a high of Rs.588.5/kg and a low of Rs.579.5/kg before closing at Rs.582.7/kg. While April contract opened at Rs.587/kg reached a high of 592.2 and a low of Rs.583/kg before closing at Rs.587/kg at which it opened. Markets in to consolidation phase.

PRICE DRIVERS

1. Lower exporters in spot markets
2. Local demand in the spot markets
3. Speculation cannot be ignored.

Warehouse stock	Kg	Drums
MCX	613691.820	3409.399

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 is trending downwards and is overlapping MA line indicating slightly bearish tendency. 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	582.7	597	602

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: Buy if crosses 584 with a target near 588 and a stop loss near 582

Epilogue: Consolidation Phase.

Spot Market Prices

Origin/Grade	Center	20. 02. 07	19. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	603	602	1.00
Mentha Oil	Chandusi	606	605	1.00
Mentha Oil	Rampur	598	598	0.00
Mentha Oil	Barabanki	600	600	0.00

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