

## MENTHA OIL ( MCX )

6<sup>th</sup> February 2007

### SPOT MARKETS

Spot markets opened with mixed sentiments in the early hours but in the late hours when MCX climbed up spot markets continued the trail. Rampur experienced adequate arrivals which were coming from farmers and ewer stockist. Locals and fewer exporters were absorbing the arrivals. Chandusi experienced exporters demand and locals who were opting for 'bold'. Very few arrivals were reported in Chandusi. Sambhal assembled good arrivals with the presence of exporters and locals. Locals were buying bold while exporters demand was felt. Barabanki experienced adequate arrivals with the presence of exporters and locals. Locals were buying at Rs.610/kg while exporters were bargaining for Rs.595/kg. Barabanki traders are anticipating markets to be bearish, while traders in the other markets are anticipating markets to turn bullish.

### FUTURES MARKETS

February contract at MCX opened with mixed sentiment at Rs.586.3, but in the mid-hours MCX showed firm sentiments but in late hours with the bullish run markets closed at Rs.596.9. March contract opened at 587.9 and traded with a bullish sentiment before closing at 603.9.

### PRICE DRIVERS

1. Exporters demand in the spot markets.
2. Lower arrivals from farmers.
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 bullish as the RSI line has cut the MA line from below and tends upwards. 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	581	576	596.6	607	612

### TRADE RECOMMENDATION:

**Safe strategy:** hold position with a stop loss near 590 and a target near 602.

**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	05. 02. 07	03. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	625	610	15.00
Mentha Oil	Chandusi	624	608	16.00
Mentha Oil	Rampur	608	600	8.00
Mentha Oil	Barabanki	610	590	10.00

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