

MENTHA OIL (MCX)

27th February 2007

SPOT MARKETS

Spot markets opened on a firm note amid strong demand. Spot prices were in positive correlation with MCX price movements. Chandusi experienced adequate arrivals from farmers and stockist. Exporters demand was lower in Chandusi, while local demand was competitive. Rampur received adequate arrivals with lower presence of exporters. Local demand was supporting the markets. Barabanki received adequate arrivals coming from farmers and lower from stockist. Exporters were bargaining at Rs.595/. Local demand was present in Barabanki. Sambhal experienced adequate arrivals with the presence of locals. Exporter's presence was felt in Sambhal. Higher demand was observed in Sambhal {traders reported}. Spot traders are perceiving markets to continue with the present sentiments.

FUTURES MARKETS

March contract at MCX opened at Rs.586.3 and traded with bearish sentiment reaching a low of Rs.582.3. however after the mid-session markets tuned to slightly bullish sentiment and closed at Rs.587.7. April contract opened at Rs.590 reached a low of Rs.588 before closing at 594.2.

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	565217.070	3140.095

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 indicating slightly bullish 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	576	570	587.7	595	602

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: Buy at 585 with stop loss near 582 and target near 590

Epilogue: Consolidation Phase.

Spot Market Prices

Origin/Grade	Center	26. 02. 07	23. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	610	608	2.00
Mentha Oil	Chandusi	611	609	2.00
Mentha Oil	Rampur	605	603	2.00
Mentha Oil	Barabanki	603	600	3.00

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