

## MENTHA OIL ( MCX )

14<sup>th</sup> February 2007

### SPOT MARKETS

Spot markets opened firm and continued to trade with marginal volatility. Spot markets continued to follow the MCX trail. Rampur continued to experience lower arrivals with the lowering prices in spot markets. Exporter's presence was not seen in Rampur. Local buying was taking place in Rampur. Chandusi experienced adequate arrivals with lower demand from exporters. However local demand continued to flavour the markets, but it was poor compared with the previous trading session. Arrivals from farmers were reported to be less: traders reported. Sambhal received adequate arrivals from farmers. Rains were hurdle the major trading session in Sambhal. 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. Exporters were buying at bargaining rates at Rs.590/kg.

### FUTURES MARKETS

February contract at MCX opened in a with lower price at Rs.597 and continued to trade with marginal volatility reaching a high of Rs.601.5 and then slashing to close at Rs.593 while March contract which opened at Rs.603 reached a high of Rs.608.5 and slashed at Rs.598.5

### 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 bearish pattern. MACD indicate bullish markets as DAV runs parallel with the MACD with a greater difference. RSI line indicating trend to be bearish as the RSI cuts the 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	593	58	599	614	625

### TRADE RECOMMENDATION:

**Safe strategy:** wait and watch

**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	13. 02. 07	12. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	610	615	-5.00
Mentha Oil	Chandusi	608	615	-7.00
Mentha Oil	Rampur	605	611	-6.00
Mentha Oil	Barabanki	603	605	-2.00

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