

MENTHA OIL (MCX)

19th February 2007

SPOT MARKETS

Spot markets opened with firm sentiments but with the marginal bullish sentiments on MCX prices reached a marginal high and maintained bullish sentiment in the spot markets.

Rampur experienced lower arrivals due to weekend effect and lower presence of farmers in the spot markets. Exporter's presence was not seen in Rampur. Local buying was taking place in Rampur. Chandusi experienced lower arrivals with lower demand from exporters. However local demand continued to create bullish sentiments in the markets. Sambhal received lower arrivals from farmers. Stockists were supporting the markets with increasing prices. Local demand was seen in the markets but exporter's presence was lower in the spot markets. Barabanki received lower arrivals with adequate local demand. Farmer's presences were lower in Barabanki. Exporters were bargaining at lower prices in Barabanki.

FUTURES MARKETS

February contract at MCX opened in bullish sentiments at Rs.575/kg and continued to trade with marginal bullish sentiment in the mid hours MCX slashed to Rs.570.1 before closing at Rs.579.7. March contract opened at Rs.579.1, with volatile movements reached a low of Rs.575.8, a high of 589 before closing at Rs.588.

PRICE DRIVERS

1. Exporters demand in the spot markets.
2. Bearish sentiment in futures market
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. If the RSI line cuts the MA line from below markets might turn bullish, but now RSI is converging to MA line indicating slightly bullish drive. Volume was lower and open interest was high. Prices closed below moving averages.

MENTHAOIL 0702(MXMTL07)2007/02/18 - Daily B:579.00 A:579.70
O 575.00 H 580.00 L 570.10 C 579.70 V 1,008 T 93611,376 +5.7



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-February Contract	570	562	579.7	589	602

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: buy if crosses Rs.582 with a stop loss near 575 and target near R1

Epilogue: Nearing to Consolidate.

Spot Market Prices

Origin/Grade	Center	17. 02. 07	16. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	607	602	5.00
Mentha Oil	Chandusi	610	603	7.00
Mentha Oil	Rampur	603	598	5.00
Mentha Oil	Barabanki	600	595	5.00

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