

MENTHA OIL (MCX)

8th February 2007

SPOT MARKETS

Spot markets opened firmed and continued to trade with marginal volatility but later with the buying pressure on the MCX spot followed the trail. Rampur experienced adequate arrivals; reported traders. Exporters demand was seen in the spot markets with the presence of local buying taking place. Barabanki experienced higher arrivals with the presence of exporters and locals. Locals were consuming the arrivals and exporters were bargaining for lower prices. Exporters were asking arrivals for Rs.590/kg while sellers were not in equilibrium as MCX was climbing. Chandusi experienced lower arrivals with exporters demand. Locals were asking 'bold' with the bullish rise in MCX. Sambhal was experiencing the influx of arrivals with consumption from exporters and locals. Chillers were the active buyers in the markets of Sambhal. Spot traders are expecting markets to be range bound.

FUTURES MARKETS

February contract at MCX opened with mixed sentiments at Rs.592.5 and traded firm but as buying pressure was building up in the markets, prices rose to 604.5. while March contract opened at Rs.597.1 and closed at Rs.611.6 with the bullish drive.

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 bullish as RSI line is moving parallel with the MA line towards northwards. 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	586	581	604.5	607	612

TRADE RECOMMENDATION:

Safe strategy: wait and watch (sell at current level as immediate resistance at Rs.607)

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	07. 02. 07	06. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	626	615	11.00
Mentha Oil	Chandusi	630	620	10.00
Mentha Oil	Rampur	620	612	8.00
Mentha Oil	Barabanki	615	607	8.00

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