

MENTHA OIL (MCX)

28th February 2007

SPOT MARKETS

Spot markets opened on a firm note amid strong demand. Spot prices were in lower positive correlation with MCX prices, as marginal decline in spot prices was seen. Chandusi experienced adequate arrivals from farmers and stockist. Exporters demand was lower in Chandusi with the falling prices, while local demand was competitive. Rampur received lower arrivals with lower presence of exporters. Local demand was supporting the markets. Arrivals in Rampur were mainly noted from farmers. Barabanki received adequate arrivals coming from farmers and lower from stockist. Exporters were bargaining at Rs.600, in the early hours but with the fall in MCX prices exporters bargained at Rs.595. Sambhal experienced adequate arrivals with the presence of locals. Spot traders are perceiving markets to continue with the present sentiments.

FUTURES MARKETS

March contract at MCX opened at Rs.588.2 and traded with bearish sentiment reaching a low of Rs.578.5 before closing at Rs.579.1. April contract opened at Rs.593.5 reached a low of Rs.585.2 before closing at 587. February MCX contract expires today.

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 bearish 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 above indicating bearish 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	579.1	595	602

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: buy at 575 with stop loss near 573 and target near 580.

Epilogue: Consolidation Phase.

Spot Market Prices

Origin/Grade	Center	27. 02. 07	26. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	606	610	-4.00
Mentha Oil	Chandusi	608	611	-3.00
Mentha Oil	Rampur	603	605	-2.00
Mentha Oil	Barabanki	598	603	-5.00

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt. Ltd.