

MENTHA OIL (MCX)

15th February 2007

SPOT MARKETS

Spot markets opened with bearish sentiments which were flavouring the markets since the previous two trading session. Spot markets were following MCX trail. Rampur experienced adequate arrivals which were coming from stockist; lower arrivals were reported from farmers. 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 flavour the markets, but it was weak with the falling spot and futures prices. Sambhal received lower arrivals from farmers. Local demand was seen in the markets but exporters presence was absent in the spot markets. Barabanki received lower arrivals with adequate local demand. Exporters were bargaining at Rs.590/kg in the early hours but due to the fall in prices in MCX in the later hours prices slashed to Rs.578/kg.

FUTURES MARKETS

February contract at MCX opened at Rs.593/kg and continued to trade with marginal bearish sentiment but in the late hours prices slashed to Rs.575.6/kg before closing at Rs.576.5/kg. March contract which opened at Rs.598.7 and slashed to Rs.580.6 before closing at Rs.581.3.

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. 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	570	562	576.5	589	602

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: buy if crosses 582 with stop loss near 578 and target near R1

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	14. 02. 07	13. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	600	610	-10.00
Mentha Oil	Chandusi	602	608	-6.00
Mentha Oil	Rampur	597	605	-8.00
Mentha Oil	Barabanki	592	603	-11.00

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