

MENTHA OIL (MCX)

20th February 2007

SPOT MARKETS

Spot markets opened with firm sentiments but with the marginal volatility on MCX spot markets response was positively correlated. Rampur experienced lower arrivals due to lower presence of farmers. Exporter's presence was not seen in Rampur. Local demand continued to keep momentum in Rampur. Chandusi experienced lower arrivals due to lack of presence of farmers. Local demand continued to exploit the markets in positive manner. Sambhal received lower arrivals from farmers. 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 demand was seen in the markets. Exporters continued to bargain at Rs.580/kg and traders were acknowledging. Spot traders are anticipating increase in demand from locals and farmers.

FUTURES MARKETS

February contract at MCX opened with a firm node at Rs.578/kg and continued to trade with marginal volatility with a high of Rs.582/kg and a low of Rs.574.1 before closing at Rs.576.9. March contract opened at Rs.587.5, with volatile movements reached a low of Rs.580.4, a high of Rs.590/kg and a low of Rs.580.4, 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 markets might enter in to consolidation phase as DAV is converging with MACD. RSI line is trending downwards and is parallel with MA line indicating slightly bearish tendency in the markets. Volume was lower and open interest was high. Prices closed below moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-February Contract	570	562	576.9	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: Consolidation Phase.

Spot Market Prices

Origin/Grade	Center	19. 02. 07	17. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	602	607	-5.00
Mentha Oil	Chandusi	605	610	-5.00
Mentha Oil	Rampur	598	603	-5.00
Mentha Oil	Barabanki	600	600	0.00

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