

## MENTHA OIL ( MCX )

9<sup>th</sup> February 2007

### SPOT MARKETS

Spot markets opened firm but with the volatile movements on MCX spot followed the trail. Rampur experienced higher arrivals with the rising prices in spot markets. Exporter's presence was felt in Rampur. Rampur was less sensitive to the movements on MCX. Chandusi experienced higher arrivals with the existing demand. With the volatile prices buying was not taking place compared with the previous trading session. Chandusi was less sensitive to the MCX prices. Sambhal was incorporating less local demand with higher arrivals which was coming from farmers. Exporters buying were lower due to volatile prices. Barabanki experienced higher arrivals with the presence of exporters. exporters were demanding but were bargaining for lower prices. Equilibrium between exporters and traders occurred at Rs.595/Kg.

### FUTURES MARKETS

February contract at MCX opened with bullish punch and in the mid hours slashed to a low of Rs.4.9 and then again recovered with Rs.5 before closing at Rs.609.5. While march contract traded in the range of 605.3-618.5. Markets are showing a bullish drive but markets have reached the present high approximately after one month. Mixed sentiments are flavoring the markets.

### 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	599	595	609.5	615	620

### TRADE RECOMMENDATION:

**Safe strategy:** wait and watch (buy at current level with a stop loss near 607 and a target near R1)

**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	08. 02. 07	07. 02. 07	Rs/Kg Change
Mentha Oil	Sambhal	625	626	1.00
Mentha Oil	Chandusi	626	630	4.00
Mentha Oil	Rampur	620	620	0.00
Mentha Oil	Barabanki	615	615	0.00

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