

## MENTHA OIL ( MCX )

23<sup>rd</sup> March 2007

### SPOT MARKETS

Spot markets opened with lower demand from locals, however rise in prices on MCX were not so influential enough to drive spot prices. Chandusi experienced lower arrivals which was compatible with the existing local demand in the markets. Exporters demand was lower compared with the previous trading session. Sambhal received adequate arrivals from farmers and stockist. Local demand was adequate, with lower buying from exporters was supporting the markets. Rampur received lower arrivals from farmers and stockist. Local demand was compatible with arrivals, while lower demand from exporters was seen in Rampur. Barabanki received adequate arrivals from farmers and stockist. Exporter's were bargaining at Rs.550, and were also the active participants in Barabanki. Local demand was lower in Barabanki.

### FUTURES MARKETS

MCX April contract opened at Rs.553, and touched a marginal low of Rs.550, and then rebounded only to touch a high of 567.8 before concluding at Rs.564.6. While May contract opened at Rs.542.5, traded with bullish sentiment reached a high of Rs.554.5 and close at 551.

### PRICE DRIVERS

1. Adequate Exporter's demand
2. Lower Local demand in the spot markets
3. Lower arrivals in spot markets
4. Speculation cannot be ignored

Warehouse stock	Kg	Drums
MCX	384243.970	2134.689

### TECHNICALS

Candlesticks is indicating bullish pattern. MACD indicate markets slightly bullish tendency as DAV line has cut the MA line from below. RSI which had converged to MA line now is tending upwards indicating bullish tendency in the markets. Volume was lower and open interest was higher. Prices closed on the eighteen day moving averages.



### SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-April Contract	548	539	564.6	570	578

### TRADE RECOMMENDATION:

**Safe strategy:** Sell at current level

**Risky Strategy:** buy near 560 with stop loss near 557 and target near R1

**Epilogue:** Correction Phase.

### Spot Market Prices

Origin/Grade	Center	22. 03. 07	21. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	580	577	3.00
Mentha Oil	Chandusi	583	580	3.00
Mentha Oil	Rampur	576	576	0.00
Mentha Oil	Barabanki	570	570	0.00

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