

MENTHA OIL (MCX)

17th March 2007

SPOT MARKETS

Spot markets opened on a firm node but due to bullish sentiments on MCX spot followed the trail. These increases in prices lead to lower demand from exporters in spot markets. Rampur received lower arrivals from farmers and stockist. Local demand was adequate in Rampur with lower demand from exporters in the early hours but due to the rise in prices exporters were not the buyers. Sambhal received lower arrivals, with favorable demand from locals. Exporter's participation was adequate in Sambhal, but as prices increased they were not active buyers. Barabanki received lower arrivals from farmers and stockist. Exporters were bargaining at Rs.570 in the early hours but with the bullish prices exporters were keeping mum anticipating further fall in prices. Chandusi experienced lower arrivals from farmers and stockist. Lower exporter's presence was seen in Chandusi, while local demand was adequate.

FUTURES MARKETS

MCX April contract opened at Rs.538, and traded with bullish sentiments throughout the trading session before concluding at 561.2. May contract opened at 536 and traded with bullish attitude and closed at 556.

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	496741.570	2759.675

TECHNICALS

Candlesticks is indicating bullish pattern. MACD indicate markets slightly bullish tendency as DAV line is converging the MA line from below. RSI line has kinked from above and is tending northwards and hovering into over brought region. Volume was high and open interest was also higher. Prices closed above the eighteen day moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-April Contract	535	528	561.2	565	573

TRADE RECOMMENDATION:

Safe strategy: Wait and watch

Risky Strategy: Sell at current level

Epilogue: Correction Phase.

Spot Market Prices

Origin/Grade	Center	16. 03. 07	15. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	592	584	8.00
Mentha Oil	Chandusi	597	585	12.00
Mentha Oil	Rampur	593	584	9.00
Mentha Oil	Barabanki	585	580	5.00

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