

MENTHA OIL (MCX)

21st March 2007

SPOT MARKETS

Spot markets opened on a firm node but due to bearish sentiments on MCX spot followed the trail. Chandusi experienced lower arrivals which was compatible with the existing demand in the markets. Exporters demand was low, as they were anticipating further fall in prices. 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 adequate in Rampur with lower demand from exporters was seen in Rampur. Barabanki received adequate arrivals from farmers and stockist. Exporter's participation was not seen in Barabanki due to bearish sentiments as exporters are anticipating further fall in prices. Local demand was lower in Barabanki.

FUTURES MARKETS

MCX April contract opened at Rs.553.2, and traded with bearish sentiments throughout the trading session reaching a low of Rs.547.4 and concluded at Rs.552.4. May contract opened at Rs.543.3, traded with bearish sentiment and closed at 542.5

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	397174.220	2206.523

TECHNICALS

Candlesticks is indicating bearish doji pattern. MACD indicate markets slightly bullish tendency as DAV line has cut the MA line from below. RSI line has kinked from above and is converging to MA line from above indicating slightly bearish tendency. 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	552.4	565	572

TRADE RECOMMENDATION:

Safe strategy: buy at 546 with stop loss near 542 and target near 552

Risky Strategy: buy at current level with stop loss near S1 and target near 558

Epilogue: Correction Phase.

Spot Market Prices

Origin/Grade	Center	20. 03. 07	19. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	577	581	-4.00
Mentha Oil	Chandusi	580	585	-5.00
Mentha Oil	Rampur	576	582	-6.00
Mentha Oil	Barabanki	570	575	-5.00

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