

MENTHA OIL (MCX)

28th March 2007

SPOT MARKETS

Spot markets opened with lower demand from locals, however continuous fall in prices on MCX were influential enough to drive spot prices. Chandusi continued to experienced higher arrivals which was compatible with the existing local demand in the markets. Exporters demand is falling with the falling prices. Sambhal received adequate arrivals from farmers and stockist. Local demand was adequate, with lower buying from exporters. Rampur received lower arrivals from farmers and stockist. Local demand was compatible with arrivals, while demand from exporters was not seen in Rampur. Barabanki received adequate arrivals from farmers and stockist. Exporters bargained at Rs.540-548, lower from the previous trading session. Local demand was not located in Barabanki.

FUTURES MARKETS

MCX April contract opened lower compared with the previous trading session at Rs.562, and traded bearish throughout the trading session touching a low of Rs.550.2 before concluding at Rs.551.1 While May contract opened at Rs.550, traded with bearish sentiments in the entire trading session and arrived at Rs.541.3.

PRICE DRIVERS

1. Lower 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	385173.570	2139.853

TECHNICALS

Candlesticks is indicating bearish pattern. MACD indicate markets slightly bearish tendency as the difference between DAV and MA line is narrowing. RSI has kinked from above and has cut with the MA line from above indicating slightly bearish tendency in the markets. Volume was high compared with the previous trading session while open interest continued to be higher. Prices closed on the moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-April Contract	548	539	551.1	573	579

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: Sell at current level

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	27. 03. 07	26. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	559	567	-8.00
Mentha Oil	Chandusi	560	570	-10.00
Mentha Oil	Rampur	555	568	-13.00
Mentha Oil	Barabanki	553	565	-12.00

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