

## MENTHA OIL ( MCX )

27<sup>th</sup> March 2007

### SPOT MARKETS

Spot markets opened with lower demand from locals, however fall in prices on MCX were influential enough to drive spot prices. Chandusi experienced higher arrivals which was compatible with the existing local demand in the markets. Exporters demand is falling with the falling prices. Sambhal received higher arrivals from farmers and stockist. Local demand was adequate, with lower buying from exporters. Rampur received adequate arrivals from farmers and stockist. Local demand was compatible with arrivals, while no demand from exporters was seen in Rampur. Barabanki received adequate arrivals from farmers and stockist. Exporters bargained at Rs.550, with depreciation of Rs.5 from previous trading session. Local demand was not located in Barabanki.

### FUTURES MARKETS

MCX April contract opened lower compared with the previous trading session Rs.569.8, and traded bearish throughout the trading session while concluding at Rs.562.2. While May contract opened at Rs.555.3, traded with bearish attitude in the entire trading session and arrived at Rs.550.2. With depreciation of Rs.7.3 compared with the previous trading session.

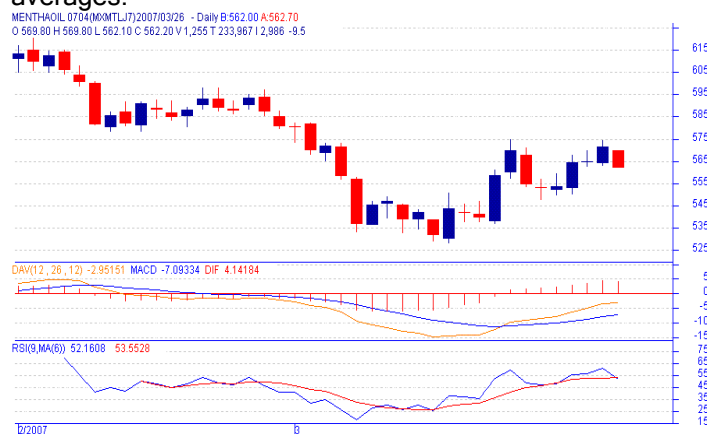
### PRICE DRIVERS

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             | 384243.970 | 2134.689 |

### TECHNICALS

Candlesticks is indicating bearish pattern. MACD indicate markets slightly bullish tendency as DAV line has cut the MA line from below. RSI which was moving parallel with the MA line now has kinked from above and is likely to converge with the MA line from above indicating slightly bearish tendency in the markets. Volume was lower and open interest was higher. Prices closed above the moving averages.



### SUPPORT / RESISTANCES:

| Contract                      | S1  | S2  | PCP   | R1  | R2  |
|-------------------------------|-----|-----|-------|-----|-----|
| MCX-Mentha Oil-April Contract | 554 | 548 | 562.2 | 579 | 585 |

### TRADE RECOMMENDATION:

**Safe strategy:** wait and watch

**Risky Strategy:** Sell at current level

**Epilogue:** Bullish Phase.

### Spot Market Prices

| Origin/Grade | Center    | 26. 03. 07 | 24. 03. 07 | Rs/Kg<br>Change |
|--------------|-----------|------------|------------|-----------------|
| Mentha Oil   | Sambhal   | 567        | 575        | -8.00           |
| Mentha Oil   | Chandusi  | 570        | 580        | -10.00          |
| Mentha Oil   | Rampur    | 568        | 573        | -5.00           |
| Mentha Oil   | Barabanki | 565        | 570        | -5.00           |

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