

MENTHA OIL (MCX)

14th March 2007

SPOT MARKETS

Spot markets opened with lackluster behaviour but due to bullish sentiments on MCX spot followed the trail. Rampur received lower arrivals with lower presence of locals. Exporters were actively participating in Rampur. Sambhal received higher arrivals, with adequate demand from locals. Exporter's participation was lower in Sambhal. Barabanki received adequate arrivals from farmers and stockist. Higher participation from exporters continued to flavour Barabanki. Exporters were bargaining at 562 in the early hours but due to rising prices exporters bargained at Rs.570. Exporter's were active buyers in Barabanki. Chandusi experienced lower arrivals from farmers and stockist. Higher exporter's presences were not noted in Chandusi, while local demand was consistence. In the early hours Chandusi quoted at Rs.582 but with bullish sentiments Chandusi concluded at Rs.590

FUTURES MARKETS

MCX March contract opened at Rs.531, and then touched a low of Rs.526.8, however it rebounded only to touch 551.5 before concluding at 543.5. April contract opened at 531.5 touched at low of 528.3 and a high of 550.8 and closed at 542.2

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 show bearish tendency as the difference between MACD and DAV is turning to be negative and MACD tending downwards. RSI line has kinked from below and has cut the MA line from below and tending upwards indicating slightly bullish tendency. Volume was higher and open interest was low. Prices closed on the nine day moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-March Contract	526	515	543.5	550	560

TRADE RECOMMENDATION:

Safe strategy: Wait and watch

Risky Strategy: Buy if market reaches near 545 with stop loss near 542 and a target near 550.

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	13. 03. 07	12. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	587	583	4.00
Mentha Oil	Chandusi	590	580	10.00
Mentha Oil	Rampur	587	578	9.00
Mentha Oil	Barabanki	582	575	7.00

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