

MENTHA OIL (MCX)

6th March 2007

SPOT MARKETS

Spot markets opened with firm node with higher demand from locals who were approaching the markets. Lower positive correlation was seen with the MCX and spot prices. Rampur received lower arrivals with lower presence of exporters. Local demand was higher compared with the previous trading session. Sambhal received lower arrivals, with adequate presence of exporters. Local demand was higher: traders reported. But due to falling prices on MCX locals were bargaining at lower prices. Barabanki received lower arrivals coming from farmers and stockist. Exporters were bargaining at Rs.590, in the early hours but later with declining prices on MCX, exporters bargained at Rs.583. Chandusi experienced lower arrivals from farmers and stockist. Exporter's presence was not felt in Chandusi.

FUTURES MARKETS

March contract at MCX opened at Rs.569.8 and traded with bearish sentiment throughout the trading session and closed at Rs.554. April contract opened at Rs.571.5 traded with bearish sentiment and closed at Rs.557. Bearish sentiments were flavouring the markets throughout the trading session.

PRICE DRIVERS

1. Adequate Exporter's demand
2. Local demand in the spot markets
3. Lower arrivals in spot markets
4. Speculation cannot be ignored

Warehouse stock	Kg	Drums
MCX	570072.170	3167.068

TECHNICALS

Candlesticks is indicating bearish pattern. MACD indicate markets show bearish tendency as the difference between MACD and DAV is turning to be negative. RSI line has kinked from below and is tending downwards away from MA line indicating weakening of prices. Volume was lower and open interest was high. Prices closed below the moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-March Contract	550	542	554	570	580

TRADE RECOMMENDATION:

Safe strategy: Wait and watch

Risky Strategy: buy near 564 with a stop loss near S1 and target near 570.

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	05. 03. 07	03. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	598	606	-8.00
Mentha Oil	Chandusi	600	607	-7.00
Mentha Oil	Rampur	596	600	-4.00
Mentha Oil	Barabanki	595	601	-6.00

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