

MENTHA OIL (MCX)

15th March 2007

SPOT MARKETS

Spot markets opened with firm node with previous bullish sentiments prevailing in the markets; however MCX prices were favouring spot prices and spot continued with marginal volatility. Rampur received lower arrivals from farmers and stockist. Local demand was adequate in Rampur with lower presence of exporters. Sambhal received higher arrivals, with adequate demand from locals. Exporter's participation was lower in Sambhal. Barabanki received lower arrivals from farmers and stockist. Higher participation from exporters continued to flavour Barabanki. Exporters were bargaining between Rs.570-575 with marginal volatile prices in Barabanki. Exporters were active buyers in Barabanki. Chandusi experienced lower arrivals from farmers and stockist. Lower exporters presence was seen in Chandusi, while local demand was adequate.

FUTURES MARKETS

MCX March contract opened at Rs.542.6, and then touched a high of Rs.546.3, however it rebounded only to touch a low at Rs.538 before concluding at 543. 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 doji 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 above and is parallel to the MA line indicating range-bound movement. Volume was lower and open interest was comparatively higher. Prices closed on the nine day moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-March Contract	526	515	543	550	560

TRADE RECOMMENDATION:

Safe strategy: Wait and watch

Risky Strategy: Hold position with stop loss near 542 and a target near 550.

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	14. 03. 07	13. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	585	587	-2.00
Mentha Oil	Chandusi	587	590	-3.00
Mentha Oil	Rampur	585	587	-2.00
Mentha Oil	Barabanki	580	582	-2.00

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