

MENTHA OIL (MCX)

27th 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.

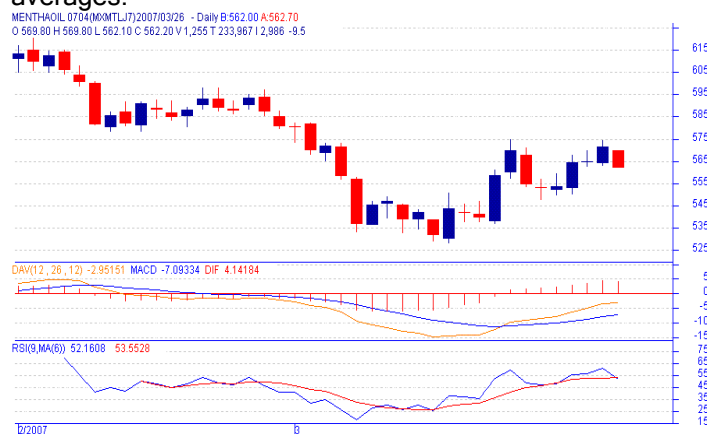
PRICE DRIVERS

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 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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