

MENTHA OIL (MCX)

5th March 2007

SPOT MARKETS

Spot markets opened with lackluster activities due to festive season in major spot markets. However spot prices were in slightly negative correlation with MCX prices. Chandusi experienced lower arrivals from farmers and stockist due to festive season. Exporter's presence was not felt in Chandusi. Rampur received lower arrivals with lower presence of locals due to festive season. Exporters were in demand for bold in Rampur. Barabanki received lower arrivals coming from farmers and stockist. Exporters were bargaining at Rs.585, in the early hours but later with appreciating prices on MCX, exporters bargained at Rs.590. Sambhal experienced lower arrivals coming from farmers and stockist due to festive season. Exporters and local demand was not seen in Sambhal.

FUTURES MARKETS

March contract at MCX opened at Rs.566.1 and traded with bearish sentiment reaching a low of Rs.562 but later recovered and closed at Rs.568.2 with appreciation of Rs.2.1. April contract opened at Rs.568.5 traded with bearish sentiment touched a low of Rs.564.9 and then recovered before closing at Rs.572.1.

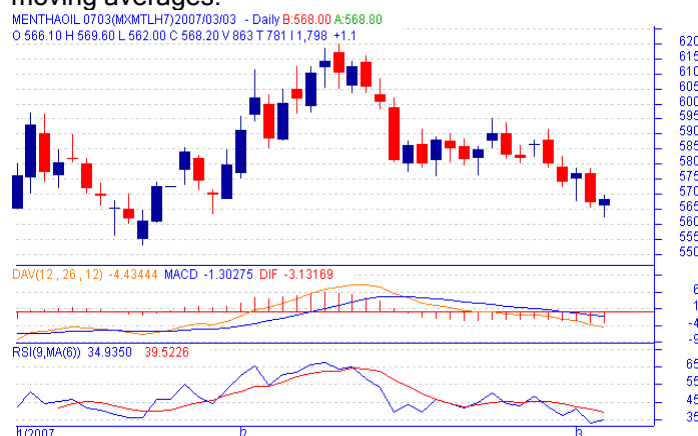
PRICE DRIVERS

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 bullish 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 towards MA line indicating a possible slightly bullish phase. 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	561	556	568.2	577	582

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	03. 03. 07	02 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	606	606	0.00
Mentha Oil	Chandusi	607	605	2.00
Mentha Oil	Rampur	600	600	0.00
Mentha Oil	Barabanki	601	601	0.00

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