

MENTHA OIL (MCX)

13th March 2007

SPOT MARKETS

Spot markets opened on a firm node but due to falling prices on MCX spot continued to follow the trail. Rampur received lower arrivals with nil presence of exporters. Local demand was higher compared to previous trading day. Sambhal received adequate arrivals, with adequate demand from locals. Exporter's were demanding was lower in Sambhal: traders reported. Barabanki continued to receive lower arrivals coming from farmers and stockist. Higher participation from exporters continued to flavour Barabanki. Exporters were bargaining at 578 in the early hours but due to falling prices exporters bargained at Rs.565. Chandusi experienced adequate arrivals from farmers and lower from stockist. Exporter's presences were not noted in Chandusi, as exporters were approaching MCX: traders reported.

FUTURES MARKETS

March contract at MCX opened at Rs.534.9 and traded with bearish sentiments throughout the trading session touching a low of Rs.527.5 before closing at Rs.532. April contract opened at Rs.538.7 traded with bearish sentiments and concluded at Rs.533.

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 bearish 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 has converge MA line from above indicating slightly bearish tendency. 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	522	515	532	550	560

TRADE RECOMMENDATION:

Safe strategy: Wait and watch

Risky Strategy: Buy if market reaches near 542 with stop loss near 538 and a target near 548.

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	12. 03. 07	10. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	583	598	-15.00
Mentha Oil	Chandusi	580	592	-12.00
Mentha Oil	Rampur	578	591	-13.00
Mentha Oil	Barabanki	575	590	-15.00

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