

MENTHA OIL (MCX)

16th March 2007

SPOT MARKETS

Spot markets opened on a firm note with major markets facing demand from exporters. Spot prices were firm even with correlation movements with MCX. Rampur received lower arrivals from farmers and stockist. Local demand was adequate in Rampur with higher demand from exporters who were also the active participants. Sambhal received adequate arrivals, with favorable demand from locals. Exporter's participation was adequate in Sambhal. Barabanki received lower arrivals from farmers and stockist. Higher participation from exporters continued to flavour Barabanki. Exporters were bargaining between Rs.565-570 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.542.5, and traded with marginal volatility before concluding at 540.1. 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 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 is converging to the MA line indicating slightly bearish tendency in the markets. Volume was lower and open interest was comparatively higher. Prices closed above the nine day moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-March Contract	526	515	540.1	550	560

TRADE RECOMMENDATION:

Safe strategy: Wait and watch

Risky Strategy: buy if market reaches 542 with stop loss near 539 and a target near 548.

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	15. 03. 07	14. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	584	585	-1.00
Mentha Oil	Chandusi	585	587	-2.00
Mentha Oil	Rampur	584	585	-1.00
Mentha Oil	Barabanki	580	580	0.00

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