

MENTHA OIL (MCX)

26th March 2007

SPOT MARKETS

Spot markets opened with lower demand from locals, however rise in prices on MCX were not so influential enough to drive spot prices. Chandusi experienced lower arrivals which was compatible with the existing local demand in the markets. Exporters demand was lower compared with the previous trading session. Sambhal received lower arrivals from farmers and stockist. Local demand was adequate, with amid buying from exporters. Rampur received lower 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.555, with appreciation of Rs.5 from previous trading session. Local demand was not located in Barabanki.

FUTURES MARKETS

MCX April contract opened at Rs.564, and traded bullish throughout the trading session reaching a high of Rs.574.4 before concluding at Rs.571.7. While May contract opened at Rs.550.5, traded with bullish attitude in the entire trading session reaching a high of Rs.559 and lastly arrived at Rs.557.5

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	384243.970	2134.689

TECHNICALS

Candlesticks is indicating bullish 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 is tending northwards while the MA line is not losing its ground indicating slightly bullish 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	560	548	571.7	579	585

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: buy at current level with stop loss near 575 and target near R1

Epilogue: Bullish Phase.

Spot Market Prices

Origin/Grade	Center	24. 03. 07	23. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	575	575	0.00
Mentha Oil	Chandusi	580	579	1.00
Mentha Oil	Rampur	573	573	0.00
Mentha Oil	Barabanki	570	570	0.00

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