

MENTHA OIL (MCX)

2nd March 2007

SPOT MARKETS

Spot markets opened on a firm note with the presence of Demand. Spot markets experienced volatile prices which were in correlation with MCX prices. Chandusi experienced adequate arrivals from farmers and lower from stockist. Exporters demand was adequate in Chandusi while local demand was higher. Rampur received lower arrivals with lower presence of exporters. Local demand was competitive. Arrivals in Rampur were mainly noted from farmers. Barabanki received lower arrivals coming from farmers and stockist. Exporters were bargaining at Rs.587, in the early hours but with the rising prices in MCX exporters bargained at Rs.590. Sambhal experienced lower arrivals coming from farmers and stockist. Exporter's presence was located with higher prices, while higher local demand existed in Sambhal.

FUTURES MARKETS

March contract at MCX opened at Rs.575 and traded with bearish sentiment reaching a low of Rs.567.6 but in the closing hours bullish sentiments were driving the markets and MCX closed at Rs.578. April contract opened at Rs.580.5 reached a low of Rs.573.2 before closing at 582.3.

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 bearish pattern. MACD indicate markets show bearish tendency as the difference between MACD and DAV is turning to be negative. RSI line is converging with the MA line from below indicating slightly bullish tendency in the markets. 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 | 568 | 560 | 578 | 586 | 590 |

TRADE RECOMMENDATION:

Safe strategy: buy near 575 with stop loss near 573 and target near 580.

Risky Strategy: buy at current level with a stop loss near 575 and target near 583

Epilogue: Consolidation Phase.

Spot Market Prices

| Origin/Grade | Center | 01. 03. 07 | 28. 02. 07 | Rs/Kg Change |
|--------------|-----------|------------|------------|-----------------|
| Mentha Oil | Sambhal | 612 | 604 | 8.00 |
| Mentha Oil | Chandusi | 614 | 605 | 9.00 |
| Mentha Oil | Rampur | 603 | 600 | 3.00 |
| Mentha Oil | Barabanki | 601 | 595 | 6.00 |

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