

MENTHA OIL (MCX)

20th March 2007

SPOT MARKETS

Spot markets opened on a firm node but due to bearish sentiments on MCX spot followed the trail. Rampur received lower arrivals from farmers and stockist. Local demand was adequate in Rampur with lower demand from exporters was seen in Rampur. Sambhal received adequate arrivals compared with the previous trading day. Local demand was lower while exporters demand was not seen as they are anticipating prices to further decline. Barabanki received adequate arrivals from farmers and stockist. Exporters continued to bargain at Rs.560, but due to fall in prices exporters were not participating in the spot markets, expecting further fall. Local demand was adequate with the arrivals. Chandusi experienced lower arrivals from farmers and stockist. Lower exporter's presence was seen in Chandusi, while local demand was lower compared with the previous trading session.

FUTURES MARKETS

MCX April contract opened at Rs.568, and traded with bearish sentiments throughout the trading session reaching a low of Rs.553.3 and concluded at Rs.555. May contract opened at Rs.554.5, traded with bearish sentiment and closed at 543.1

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	441032.270	2450.179

TECHNICALS

Candlesticks is indicating bearish pattern. MACD indicate markets slightly bullish tendency as DAV line has cut the MA line from below. RSI line has kinked from above and is converging to MA line from above indicating slightly bearish tendency. Volume was lower and open interest was higher. Prices closed on the eighteen day moving averages.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-April Contract	551	548	555	578	583

TRADE RECOMMENDATION:

Safe strategy: Wait and watch

Risky Strategy: Sell at current level

Epilogue: Correction Phase.

Spot Market Prices

Origin/Grade	Center	19. 03. 07	17. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	581	592	-11.00
Mentha Oil	Chandusi	585	596	-11.00
Mentha Oil	Rampur	582	592	-10.00
Mentha Oil	Barabanki	575	586	-11.00

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