

MENTHA OIL (MCX)

7th March 2007

SPOT MARKETS

Spot markets opened with firm node with demand from locals who were approaching the markets. However with the declining prices on MCX Spot prices also followed the trail. Rampur received lower arrivals with very low presence of exporters. Local demand was adequate with falling prices. Sambhal received lower arrivals, with adequate demand from locals. Exporter's presence was not noted in Sambhal: traders reported. Barabanki received lower arrivals coming from farmers and stockist. Exporters were bargaining at Rs.580, in the early hours but later with declining prices on MCX, exporters bargained at Rs.565. Chandusi experienced lower arrivals from farmers and stockist. Exporter's presence was not felt in Chandusi, while local demand was adequate. Falling MCX prices were hurdle in the local demand.

FUTURES MARKETS

March contract at MCX opened at Rs.553 and traded with bearish sentiment throughout the trading session touching a low of Rs.526 before closing at Rs.533.8. April contract opened at Rs.557 traded with bearish sentiment and closed at Rs.537.2. Bearish sentiments were flavouring the markets throughout the trading session.

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	567196.170	3151.09

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 below and is tending downwards away from MA line indicating weakening of prices. 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	509	533.8	550	560

TRADE RECOMMENDATION:

Safe strategy: Wait and watch

Risky Strategy: Buy near Rs.540 with a stop loss near 536 and target near 546.

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	06. 03. 07	05. 03. 07	Change
Mentha Oil	Sambhal	590	598	-8.00
Mentha Oil	Chandusi	588	600	-12.00
Mentha Oil	Rampur	585	596	-11.00
Mentha Oil	Barabanki	580	595	-15.00

Rs/Kg

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