

MENTHA OIL (MCX)

22nd March 2007

SPOT MARKETS

Spot markets opened with persistence demand from locals and lower demand from exporters. Chandusi experienced lower arrivals which was compatible with the existing demand in the markets. Exporters demand adequate compared with the previous trading session. Sambhal received adequate arrivals from farmers and stockist. Local demand was adequate, with lower buying from exporters was supporting the markets. Rampur received lower arrivals from farmers and stockist. Local demand was lower, while lower demand from exporters was seen in Rampur. Barabanki received adequate arrivals from farmers and stockist. Exporter's were bargaining at Rs.555, and were also the active participants in Barabanki. Local demand was lower in Barabanki. Traders are expecting further fall in prices.

FUTURES MARKETS

MCX April contract opened at Rs.552, and touched a low of Rs.549.7, and then rebounded only to touch a high of 559.4 before concluding at Rs.554. While May contract opened at Rs.541.8, traded with bullish sentiment reached a high of Rs.549.9 and only to close at Rs.544.9.

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 line has kinked from above and has converged 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	548	539	554	565	572

TRADE RECOMMENDATION:

Safe strategy: buy at 546 with stop loss near 542 and target near 552

Risky Strategy: buy at current level with stop loss near S1 and target near 559

Epilogue: Correction Phase.

Spot Market Prices

Origin/Grade	Center	21. 03. 07	20. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	577	577	0.00
Mentha Oil	Chandusi	580	580	0.00
Mentha Oil	Rampur	576	576	0.00
Mentha Oil	Barabanki	570	570	0.00

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