

## MENTHA OIL ( MCX )

24<sup>th</sup> 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 in the early hours but were favorable with bearish sentiments. Chandusi experienced adequate arrivals which was compatible with the existing local demand in the markets. Exporters demand was lower 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 compatible with arrivals, while no demand from exporters was seen in Rampur. Barabanki received adequate arrivals from farmers and stockist. Exporters have continued to bargain at Rs.550, and were also the active participants in Barabanki. Local demand was lower in Barabanki.

### FUTURES MARKETS

MCX April contract opened at Rs.565, continued to trade in the range of 562.3-569.9 before concluding at Rs.565.8. While May contract opened at Rs.552, traded with bullish sentiment reached a high of Rs.555 and close at 551.

### 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 doji pattern. MACD indicate markets slightly bullish tendency as DAV line has cut the MA line from below. RSI which had converged to MA line now is tending upwards and is moving parallel with the MA line indicating bullish tendency in the markets. 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	565.8	573	578

### TRADE RECOMMENDATION:

**Safe strategy:** wait and watch

**Risky Strategy:** sell at current level {as weak sentiments in spot markets}

**Epilogue:** Correction Phase.

### Spot Market Prices

Origin/Grade	Center	23. 03. 07	22. 03. 07	Change
Mentha Oil	Sambhal	575	580	-5.00
Mentha Oil	Chandusi	579	583	-4.00
Mentha Oil	Rampur	573	576	-3.00
Mentha Oil	Barabanki	570	570	0.00

Rs/Kg

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