

MENTHA OIL (MCX)

10th March 2007

SPOT MARKETS

Spot markets opened on a firm node but due to falling prices on MCX spot followed the futures trend. Rampur received lower arrivals with nil presence of exporters. Local demand was higher compared to previous trading day. Sambhal received lower arrivals, with adequate demand from locals. Exporter's presence was not noted in Sambhal: traders reported. Barabanki continued to receive lower arrivals coming from farmers and stockist. Exporters were bargaining at Rs.575, in the early hours but later with rising prices on MCX, exporters bargained at Rs.565. Higher participation of exporters was seen compared to the previous trading session with falling prices. Chandusi experienced lower arrivals from farmers and stockist. Exporter's been present in Chandusi and was bargaining with the falling prices.

FUTURES MARKETS

March contract at MCX opened at Rs.542.6 and traded with bearish sentiments throughout the trading session touching a low of Rs.530.4 and rebounded after that only to close at Rs.535.6. April contract opened at Rs.546.5 traded with bearish sentiments and concluded at Rs.538.5.

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	562880.000	3127.111

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 as converge on MA line from below indicating slightly bearish tendency. 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	535.6	550	560

TRADE RECOMMENDATION:

Safe strategy: Wait and watch

Risky Strategy: Buy if market reaches near 545 with stop loss near 541 and a target near 550.

Epilogue: Bearish Phase.

Spot Market Prices

Origin/Grade	Center	09. 03. 07	08. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	597	602	-5.00
Mentha Oil	Chandusi	592	598	-6.00
Mentha Oil	Rampur	590	595	-5.00
Mentha Oil	Barabanki	588	592	-4.00

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