

MENTHA OIL (MCX)

3rd April 2007

SPOT MARKETS

Spot markets opened with lower demand from locals, however prices on MCX were influential enough to drive spot prices. Chandusi experienced lower arrivals which was compatible with the existing local demand in the markets. Exporters demand was located in the markets. Sambhal received lower arrivals from farmers and stockist. Local demand was lower, with adequate buying from exporters; however buying was lower compared with the previous trading session. Rampur received lower arrivals from farmers and stockist. Local demand was compatible with arrivals, while demand from exporters was not seen in Rampur. Barabanki experienced lower arrivals from farmers and stockist. Exporters were bargaining between Rs.545-550, with appreciation Rs.10-Rs.15 vis-à-vis with previous day. Local demand was not located in Barabanki.

FUTURES MARKETS

MCX April contract opened at Rs.558.5 and traded bullish throughout the trading session touching a high of Rs.563.6 before closing at Rs.560.7. While May contract opened at Rs.549, traded in bearish mood paradoxical with the April contract concluding at Rs.546.

PRICE DRIVERS

1. Lower 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	410375.670	2279.865

TECHNICALS

Candlesticks is indicating bullish pattern. MACD indicate markets slightly bearish tendency as the difference between DAV and MA line is narrowing. RSI has kinked from below and has cut the MA line from below indicating bullish tendency in the markets. Volume was low compared with the previous trading session while open interest continued to be higher. Prices closed on the moving averages. Oscillator indicated trend to be consolidated.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-April Contract	548	539	560.7	573	579

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: buy at current level with stop loss near 558 and target near 565.

Epilogue: Correction Phase.

Spot Market Prices

Origin/Grade	Center	2. 04. 07	30. 03. 07	Rs/Kg Change
Mentha Oil	Sambhal	565	560	5.00
Mentha Oil	Chandusi	568	564	4.00
Mentha Oil	Rampur	560	554	6.00
Mentha Oil	Barabanki	558	550	8.00

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