

MENTHA OIL (MCX)

5th April 2007

SPOT MARKETS

Spot markets opened with lower demand from locals, but with rising prices on MCX spot markets also were in bullish mood, this led to buying from locals and exporters. Chandusi experienced lower arrivals, however these arrivals were compatible with local and exporters demand. Exporters were buying in the late hours on higher prices. Sambhal received lower arrivals from farmers and stockist. Local demand was higher in the late hours, with adequate buying from exporters. Rampur received lower arrivals from farmers and stockist. Local demand was compatible with arrivals, while demand from exporters was not seen even at higher prices in Rampur. Barabanki experienced adequate arrivals from farmers and stockist. Exporters were bargaining between Rs.565-570, with appreciation Rs.5-10 vis-à-vis with previous day. Local demand was seen in Barabanki.

FUTURES MARKETS

MCX April contract opened with a bullish punch at Rs.581.1 and traded volatile with reaching a low of Rs.574.7 and a high of Rs.594 before concluding at Rs.592. while May contract opened at Rs.558.7 reached a high of Rs.573 and arrived at Rs.571.

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 bullish tendency as DAV line is hovering into positive region. RSI is moving upwards and is tending in the overbought zone indicating possible selling position in the markets. Volume was high compared with the previous trading session while open interest was lower. Prices closed above the moving averages. Oscillator indicated trend to be bullish.



SUPPORT / RESISTANCES:

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-April Contract	570	560	592	598	604

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: buy at current level with a stop loss near 588 and target near R1

Epilogue: Bullish phase.

Spot Market Prices

Origin/Grade	Center	04. 04. 07	03. 04. 07	Rs/Kg Change
Mentha Oil	Sambhal	588	577	11.00
Mentha Oil	Chandusi	592	578	14.00
Mentha Oil	Rampur	582	568	14.00
Mentha Oil	Barabanki	575	566	9.00

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