

MENTHA OIL (MCX)

4th 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, however these arrivals were compatible with local and exporters demand. Exporters were bargaining between Rs.570-575. Sambhal received lower arrivals from farmers and stockist. Local demand was lower, with adequate buying from exporters. Exporters were buying at lower prices but were not approaching at higher prices. 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.555-560, with appreciation Rs.5-10 vis-à-vis with previous day. Local demand was not located in Barabanki.

FUTURES MARKETS

MCX April contract opened at Rs.562 and traded bullish throughout the trading session touching a high of Rs.578 before closing at Rs.576.5. While May contract opened at Rs.547, traded in bullish mood touching a high of Rs.561.4 before concluding at Rs.559.2.

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 the difference between DAV and MA line is increasing. RSI which had kinked from below cutting the MA line from below now is hovering in overbought region indicating to bearish tendency 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	558	551	576.5	580	585

TRADE RECOMMENDATION:

Safe strategy: wait and watch

Risky Strategy: Sell at current level.

Epilogue: Correction Phase.

Spot Market Prices

Origin/Grade	Center	03. 04. 07	02. 04. 07	Change
Mentha Oil	Sambhal	577	565	12.00
Mentha Oil	Chandusi	578	568	10.00
Mentha Oil	Rampur	568	560	8.00
Mentha Oil	Barabanki	566	558	8.00

Rs/Kg

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