

MENTHA OIL (MCX)

6th April 2007

SPOT MARKETS

Spot markets opened with lower demand from locals, but with volatile prices on MCX, spot markets were responsive towards MCX. Chandusi experienced lower arrivals, from stockist. Lower demand from locals was seen while exporters demand was adequate with rising prices in the spot markets. Sambhal received lower arrivals from farmers and stockist. Local demand was not located with volatile prices, but exporters demand was adequate. Rampur received lower arrivals from farmers and stockist. Local demand was compatible with arrivals, while exporters demand was not sited in Rampur. Barabanki experienced lower arrivals from farmers and stockist. Exporters were bargaining between Rs.565-585, with appreciation of nearly Rs.20 vis-à-vis with previous day.

FUTURES MARKETS

MCX April contract opened at 593.5 and traded volatile throughout the trading session with bearish sentiment reaching a low of Rs.583 and then rebounded only to touch a high of Rs.614.5 before concluding at Rs.607.9. While May contract also traded volatile and opened at Rs.572.8 reached a low of Rs.564.2 and a high of Rs.593.4 closed 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 in the overbought region indicating selling to take place in the next trading session. 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	589	570	607.9	622	633

TRADE RECOMMENDATION:

Safe strategy: sell at current level

Risky Strategy: sell near 615 to book profit.

Epilogue: Bullish phase.

Spot Market Prices

Origin/Grade	Center	05. 04. 07	04. 04. 07	Rs/Kg Change
Mentha Oil	Sambhal	605	588	17.00
Mentha Oil	Chandusi	606	592	14.00
Mentha Oil	Rampur	592	582	10.00
Mentha Oil	Barabanki	590	575	15.00

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