

MENTHA OIL (MCX)

9th April 2007

SPOT MARKETS

Spot markets opened with lower demand from locals, but with volatile prices on MCX were quite influential to drive spot prices. Chandusi experienced lower arrivals, from stockist. Lower demand from locals was seen while exporters demand was also lower in Chandusi. Sambhal received adequate arrivals from farmers and stockist. Local demand was not located with lower prices, but lower buying from exporters was experienced. 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.575-580, with depreciation of nearly Rs.55 vis-à-vis with previous day. Local demand was lower with rising prices in Barabanki.

FUTURES MARKETS

MCX April contract opened at 619 and traded with bearish sentiments however it reached a high of Rs.625 and a low of Rs.597.7 before concluding at Rs.600.7. While May contract opened at Rs.597.2 also traded bearish and reached a high of Rs.603.4 and a low of Rs.577.2 before closing at Rs.579.3.

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 bullish tendency as DAV line is hovering into positive region. RSI has cut the MA line from above indicating 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 bearish.



SUPPORT / RESISTANCES:

| Contract | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-----|-----|-------|-----|-----|
| MCX-Mentha Oil-April Contract | 605 | 570 | 621.8 | 633 | 640 |

TRADE RECOMMENDATION:

Safe strategy: sell at current level

Risky Strategy: sell near at current level.

Epilogue: Bullish phase.

Spot Market Prices

| Origin/Grade | Center | 05. 04. 07 | 06. 04. 07 | Change |
|--------------|-----------|------------|------------|--------|
| Mentha Oil | Sambhal | 600 | 612 | -12.00 |
| Mentha Oil | Chandusi | 602 | 619 | -17.00 |
| Mentha Oil | Rampur | 598 | 609 | -11.00 |
| Mentha Oil | Barabanki | 589 | 600 | -11.00 |

Rs/Kg

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