WAY2WEALTH
A COFFEE DAY COMPANY
Research Desk

# TRADING EDGE

22nd January 2019

## MCX MENTHA OIL

**Recommendation**

Exchange:
MCX

Scrip:
MENTHA OIL FEB

Action:
SELL

Entry:
CMP: 1558

Target:
1450/1360

Stop loss:
1660

Risk Reward:
1:1.90

**Technical Trigger**

Daily RSI (14):
43

Weekly RSI (14):
46

Weekly CCI: -77


- ✓ After making a low of 1414 during December 2018 Mentha oil February contract prices witnessed sharp re-bounce in last few weeks and reclaimed the key neckline of double top break down level in the penultimate week.
- ✓ Although the Mentha oil price headed till the neckline resistance of double top break down it failed to settle above that. In the last week, prices once again gave a bearish break down by penetrating rising trend channel. Hence looking at above scenario we interpret that the bearish trend remains intact.
- ✓ In the previous fall, Mentha oil prices has tumbled below the 50% retracement of the rally ranging from (1071 – 1842) but reverted before testing 61.8% retracement supports of 1365 mark. This time if the price breaches the 50% retracement mark of 1456 then it is likely to extend the fall till 61.8% retracement level of 1365 levels.
- ✓ While on the higher side, the immediate resistance is placed at 1630 of "Double top break down" and above that the next resistance of the trend line is placed at 1660. The momentum indicator RSI (14) is slowly slipping lower and has come down till 46 mark. The stochastic has made negative cross on daily basis indicating bearish signs.
- ✓ **Hence looking at above scenario, all the major parameters are indicating bearish signs for Mentha oil price. Thus, we advise selling Mentha oil February contract around 1558 for down side targets of 1450 then 1360 levels with stop loss placed at 1660.**


**Way2Wealth Brokers Pvt. Ltd. (CIN U67120KA2000PTC027628) SEBI Rgn. No. : INH200002739.**
No. 14, Frontline Granduer, Walton Road, Bangalore-560001; Website: www.way2wealth.com
Email: research@way2wealth.com


## TEAM

| ANALYST | DESIGNATION | EMAIL | TELEPHONE |
|---|---|---|---|
| Aditya Agarwal | Head – Technical Research | aditya@way2wealth.com | +9122-61462955 |
| Monil Shah, CMT | Sr. Technical Analyst – Equity & Forex | monilshah@way2wealth.com | +9122-61462980 |
| Harish Jujarey | Sr. Technical Analyst – Commodity | harishjujarey@way2wealth.com | +9122-61462952 |
| Mohit Agarwal | Technical Analyst – Forex & Commodity | mohitk@way2wealth.com | +9122-61462954 |