

16 January 2012

Mentha Oil MCX: Weekly chart



Mentha Oil was consolidating since years and formed triangle pattern, where breakout was at 775 levels. This formation target aimed at 1690 levels. After breaching 775, it advanced steeply towards 1320 and had minor consolidation, which resulted in correction till support level on 800 zone and continued heading towards its target of 1690. While, heading towards the target it moved chaotically after its first rally to 1320, which turned out to be a broadening top. The breakout confirmation is seen above 1560 levels on weekly closing basis, whose target projected at 2560 (see fig below).

Mentha oil MCX: Weekly chart



- + The volumes are not uniform and the crossovers of 10 and 20 weeks EMA is bullish.
- + ROC 20 shows a negative divergence

Daily chart:

In daily chart also, it has formed triangle pattern whose target projected at 1560. This scenario explains, if it extend above 1560 and consolidate, then it is a valid breakout for broadening pattern else it would be a blow off.



Analyst view: Buy above 1580 for Target of 1690 and 2000 with stop at 1290. If market, sustain above 2000, it may touch broadening pattern target o 2560.

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