

RUBBER

Agriwatch
DAILY

RUBBER

August 01,

SPOT MARKETS

Spot rubber made gain on Tuesday. Rubber prices at Kottayam as well as in Cochin remain high, for RSS-4 and RSS-5 grade. Natural rubber imports in May 2007 amounted to 41,669 tonnes, up by 11 per cent as compared to the previous month. The main type of rubber imported was latex concentrate which accounted for 63.0 per cent of the total imports.

FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.8663/mt and traded between the range of Rs.8663 - 8884/mt, before closing at Rs.8855/mt. Rs.192 up by the previous close of Rs.8663/mt. The volume of August contract traded increased drastically, as compared to the previous trading session. Similar situation is observed in MCX Rubber August contract, which is opened at Rs.8620/mt and traded between the range of Rs.8575-8682/mt, before closing at Rs.8664/mt, Rs.152 up by the previous close of Rs.8512/mt. The volume of the August contract, increased while, open interest increased marginally, as compared to the previous trading session.

PRICE DRIVERS

Bullish:

1. The monsoon at its full swing which disrupt tapping and latex production.
2. Decline in Rubber output, due to viral fever gripping in rubber growing areas in Kerala.
3. Firm demand from domestic users.
4. Quality problems with rubber stock.

Bearish:

1. Strong rupee; limiting the scope for export.
2. Excess stock of latex.

WEATHER

Rain/thundershowers are likely at most places over Kerala, Coastal Karnataka, Konkan & Goa, Andaman & Nicobar and other rubber growing areas. The weather is unfavorable for rubber tapping and latex production.

TECHNICALS

Prices closed above 9-day EMA, and 18-day EMA indicating that short-term trend as well as intermediate-term trend remains bullish. MACD shows uptrend in positive region; supporting the firmness in the market. 9-day RSI is moving upward in overbought region. While stochastic is rising in neutral region. The volume of August contract traded increased drastically, as compared to the previous trading session. Rubber futures are likely to trade upward following a steady to firm opening.

RUBBER 0708(NMRUBQ7)2007/07/31 - Daily B:8853.00 A:8871.00
O 8663.00 H 8884.00 L 8663.00 C 8855.00 V 2,309 T 88,550 I O +180
EMA(9) 8504.6 (18) 8340.5



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	8597	8713	8855	8938	9021
MCX August	8533	8598	8664	8712	8753

TRADE RECOMMENDATIONS

Buy NMCE August Rubber near Rs. 8848- 8862 with a target at Rs. 8885 and then Rs. 8932 with a strict stop loss at Rs.8824.

Buy MCX August Rubber near Rs. 8658-8672 with a target at Rs. 8686 and then Rs.8708 with a strict stop loss at Rs.8650. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		30.07.2007	31.07.2007	
Kottayam	RSS-4	8500	8650	+150
	RSS-5	8350	8500	+150
Cochin	RSS-4	8500	8650	+150
	RSS-5	8350	8500	+150



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INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		26.07.2007	27.07.2007	
Bangkok	RSS-3	8453	8494	+41
	RSS-4	8417	8458	+41
Kuala Lumpur	SMR-20	8352	8312	-40
	Latex (60%drc)	5316	5271	-45

INTERNATIONAL PRICES (AS OF JULY 30, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	261.4	264.8	260.2	260.3	+1.0
September 2007	262.7	264.4	259.4	259.9	+1.2
October 2007	263.9	265.3	260.5	261.0	+0.6

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