

# RUBBER

Agriwatch  
DAILY

## RUBBER

July 24, 2007

### SPOT MARKETS

Spot rubber made loss on Saturday. In India, the tyre sector consumption stood at 1, 15,433 tonnes, an increase of 2.6% over last year. The non-tyre sector's consumption increased by 0.97% at 82812 tonnes. Import of rubber was also higher in the first quarter of this year. Imports stood at 23,142 tonnes compared to 16,388 tonnes last year, an increase of 41.2%. Exports, on the other hand, fell to 9,239 tonnes in the first quarter of current year. Last year during the same period it stood at 22,612 tonnes. Rubber prices as on Monday were down at Kottayam as well as in Cochin, both for RSS-4, while prices for RSS-5 grade remain steady. On the other hand, at international market in Bangkok; prices were increased for RSS-3 grade and remain steady for RSS-4 grade.

### FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.8215/mtl and traded between the range of Rs.8078 - 8190/mtl, before closing at Rs.8173/mtl, Rs.42 down by the previous close of Rs.8215/mtl. The volume of August contract traded increased drastically.

Similar situation is observed in MCX Rubber August contract which is, opened at Rs.8099/mtl and traded between the range of Rs.8000 - 8099/mtl, before closing at Rs.8060/mtl, Rs.61 down by the previous close of Rs.8121/mtl. The volume as well as open interest of August contract 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.

#### Bearish:

1. Strong rupee; limiting the scope for export.

### 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 negative region; supporting the firmness in the market. 9-day RSI is moving downward in neutral region. While stochastic is declining in neutral region. The volume of August contract traded increased drastically. Rubber futures are likely to trade down ward following a steady to weak opening.

RUBBER 0708(NMRUBQ7)2007/07/23 - Daily B:8162.00 A:8171.00  
O 8215.00 H 8215.00 L 8078.00 C 8173.00 V 1,320 T 81,730 I O -42



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	8018	8102	8173	8241	8291
MCX August	7950	8000	8060	8111	8155

### TRADE RECOMMENDATIONS

Sell NMCE August Rubber near Rs. 8160- 8180 with a target at Rs. 8140 and then Rs. 8112 with a strict stop loss at Rs.8200.

Sell MCX August Rubber near Rs. 8050-8068 with a target at Rs. 8038 and then Rs.8005 with a strict stop loss at Rs.8082. Trade cautiously with intra day outlook.

### DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		20.07.2007	23.07.2007	
Kottayam	RSS-4	8150	8125	-25
	RSS-5	8000	8000	--
Cochin	RSS-4	8150	8125	-25
	RSS-5	8000	8000	--



## RUBBER

July 24, 2007

### INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		20.07.2007	23.07.2007	
Bangkok	RSS-3	8388	8474	+86
	RSS-4	8352	8438	+86
Kuala Lumpur	SMR-20	8313	8362	+49
	Latex (60%drc)	5365	5388	+23

### INTERNATIONAL PRICES (AS OF JULY 23, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
July 2007	256.0	256.0	251.2	254.2	-0.8
August 2007	257.8	257.8	255.0	256.6	-0.9
September 2007	257.4	259.5	254.4	258.2	+0.8

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.