

RUBBER

Agriwatch
DAILY

RUBBER

July 25, 2007

SPOT MARKETS

Spot rubber made remains steady on Tuesday. Rubber prices 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 decreased for RSS-3 grade and remain steady for RSS-4 grade.

FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.8162/qty and traded between the range of Rs.8100 - 8194/qty, before closing at Rs.8186/qty, Rs.24 up by the previous close of Rs.8162/qty. The volume of August contract traded decreased drastically, as compared to the previous trading session. Similar situation is observed in MCX Rubber August contract which is, opened at Rs.8000/qty and traded between the range of Rs.8000-8113/qty, before closing at Rs.8079/qty, Rs.7 up by the previous close of Rs.8072/qty. The volume of the August contract, increased drastically while, open 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 upward in neutral region. While stochastic is declining in neutral region. The volume of August contract traded decreased drastically, as compared to the previous trading session. Rubber futures are likely to trade down ward following a steady to weak opening.

RUBBER 0708(NMRUBQ7)2007/07/24 - Daily B:8176.00 A:8186.00
O 8162.00 H 8194.00 L 8100.00 C 8186.00 V 928 T 81,860 I O +13



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	8067	8126	8186	8245	8295
MCX August	7951	8016	8079	8129	8179

TRADE RECOMMENDATIONS

Buy NMCE August Rubber near Rs. 8178- 8195 with a target at Rs. 8210 and then Rs. 8238 with a strict stop loss at Rs.8172.

Buy MCX August Rubber near Rs. 8072-8088 with a target at Rs. 8100 and then Rs.8125 with a strict stop loss at Rs.8065. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		23.07.2007	24.07.2007	
Kottayam	RSS-4	8125	8125	--
	RSS-5	8000	8000	--
Cochin	RSS-4	8125	8125	--
	RSS-5	8000	8000	--



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INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		23.07.2007	24.07.2007	
Bangkok	RSS-3	8474	8464	-10
	RSS-4	8438	8428	-10
Kuala Lumpur	SMR-20	8362	8396	+34
	Latex (60%drc)	5388	5376	-12

INTERNATIONAL PRICES (AS OF JULY 24, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
July 2007	251.8	253.0	250.7	251.1	-3.1
August 2007	253.9	254.2	251.9	251.9	-4.7
September 2007	255.6	256.1	253.6	254.4	-3.8

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