

# RUBBER

Agriwatch  
DAILY

## RUBBER

July 11, 2007

### SPOT MARKETS

Rubber domestic spot market prices were up on Tuesday, on firm demand from domestic user industry. Rubber prices were up at Kottayam as well as in Cochin due to strong demand, both for RSS-4 and RSS-5 grade. Same trend was observed at MCX and NMCE Rubber futures. While at international market in Bangkok; prices were decreased for RSS-3 and RSS-4 grade.

### FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.7795/qty and traded between the range of Rs.7750 - 7885/qty, before closing at Rs.7882/qty. Rs.87 up by the previous close of Rs.7795/qty. The volume of August contract traded decreased drastically.

Similar situation is observed in MCX Rubber July contract which is, opened at Rs.7550/qty and traded between the range of Rs.7500 - 7600/qty, before closing at Rs.7565/qty, Rs.38 up by the previous close of Rs.7527/qty. The volume of July contract traded increased marginally, while open interest decreased drastically 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.

#### Bearish:

1. Quality concerns of rubber stocks.
2. Huge carry over stocks.
3. User industry targeting higher imports.
4. Strong rupee; limiting the scope for export.

### WEATHER

Rain/thundershowers are likely at most places over Kerala, Coastal Karnataka, Konkan & Goa 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 rising in neutral region. The volume of August contract traded decreased drastically. Rubber futures are likely to trade upward following a steady to firm opening.

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O 7580.00 H 7844.00 L 7580.00 C 7810.00 V 2,387 T 78,100 I O +186

EMA(9) 7690.5 (18) 7831.2



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	7705	7785	7882	7930	7980
MCX July	7455	7500	7565	7610	7655

### TRADE RECOMMENDATIONS

Buy NMCE August Rubber near Rs. 7876-7890 with a target at Rs. 7904 and then Rs. 7924 with a strict stop loss at Rs.7866.

Buy MCX July Rubber near Rs. 7560-7575 with a target at Rs. 7583 and then Rs. 7605 with a strict stop loss at Rs.7550. Trade cautiously with intra day outlook.

### DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		09.07.2007	10.07.2007	
Kottayam	RSS-4	7425	7550	+125
	RSS-5	7300	7400	+100
Cochin	RSS-4	7425	7550	+125
	RSS-5	7300	7400	+100



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### INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		09.07.2007	10.07.2007	
Bangkok	RSS-3	8295	8280	-15
	RSS-4	8259	8245	-14
Kuala Lumpur	SMR-20	8078	8092	+14
	Latex (60%drc)	5180	5188	+8

### INTERNATIONAL PRICES (AS OF JULY 10, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
July 2007	253.9	255.9	252.0	254.1	-0.4
August 2007	254.9	256.9	252.5	254.9	-1.1
September 2007	252.2	255.1	250.4	253.7	+0.7

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