

RUBBER

Agriwatch
DAILY

RUBBER

July 27, 2007

SPOT MARKETS

Spot rubber made sharp gain on Thursday. Rubber prices at Kottayam as well as in Cochin, for RSS-4 and RSS-5 grade were increased sharply. The similar trend was observed, at international market in Bangkok; prices were decreased for RSS-3 and for RSS-4 grade.

FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.8296/ctl and traded between the range of Rs.8342 - 8627/ctl, before closing at Rs.8627/ctl, Rs.331 up by the previous close of Rs.8296/ctl. 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.8254/ctl and traded between the range of Rs.8254-8499/ctl, before closing at Rs.8499/ctl, Rs.300 up by the previous close of Rs.8199/ctl. The volume of the August contract, increased drastically 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.

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 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)2007/07/26 - Daily B:8621.00 A:8627.00
O 8296.00 H 8627.00 L 8296.00 C 8627.00 V 2,363 T 86,270 I O +327
EMA(9) 8269.9 (18) 8167.7



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	8176	8395	8627	8722	8834
MCX August	8185	8341	8499	8579	8670

TRADE RECOMMENDATIONS

Buy NMCE August Rubber near Rs. 8620- 8640 with a target at Rs. 8668 and then Rs. 8718 with a strict stop loss at Rs.8588.

Buy MCX August Rubber near Rs. 8490-8515 with a target at Rs. 8535 and then Rs.8575 with a strict stop loss at Rs.8482. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		25.07.2007	26.07.2007	
Kottayam	RSS-4	8150	8350	+200
	RSS-5	8000	8200	+200
Cochin	RSS-4	8150	8350	+200
	RSS-5	8000	8200	+200



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INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		25.07.2007	26.07.2007	
Bangkok	RSS-3	8439	8453	+14
	RSS-4	8403	8417	+14
Kuala Lumpur	SMR-20	8397	8352	-45
	Latex (60%drc)	5351	5316	-35

INTERNATIONAL PRICES (AS OF JULY 25, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	254.9	260.1	253.3	259.3	+9.4
September 2007	253.1	260.6	253.1	259.3	+8.7
October 2007	253.5	261.4	253.5	260.9	+9.5

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