

# RUBBER

Agriwatch  
DAILY

## RUBBER

July 20, 2007

### SPOT MARKETS

Spot rubber made loss on Thursday. According to rubber board, exports of natural rubber from India fell sharply in the first quarter of 2007-08. Exports in April-June fell 59% to 9,239 tonnes from 22,612 tonnes in the same period a year ago, due to appreciation of rupee against the dollar. While a rising rupee and lower global prices pushed up imports. Imports, mainly from Indonesia, Thailand, Malaysia and Vietnam, rose by 41% to 23,142 tonnes from 16,388 tonnes. Rubber prices were down at Kottayam as well as in Cochin, both for RSS-4 and RSS-5 grade. In contrast to that, at international market in Bangkok; prices were increased for RSS-3 grade and remains steady for RSS-4 grade.

### FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.8043/qty and traded between the range of Rs.7951 - 8200/qty, before closing at Rs.8028/qty, Rs.15 down by the previous close of Rs.8043/qty. The volume of August contract traded decreased drastically.

Similar situation is observed in MCX Rubber August contract which is, opened at Rs.8109/qty and traded between the range of Rs.7922 - 8124/qty, before closing at Rs.8000/qty, Rs.11 down by the previous close of Rs.8011/qty. The volume of August contract traded decreased drastically while open interest decreased 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. Decrease in rubber import by user industry.
4. 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 below 9-day EMA, and 18-day EMA indicating that short-term trend as well as intermediate-term trend remains bearish. 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 decreased drastically. Rubber futures are likely to trade downward following a steady to weak opening.

RUBBER 0708(NMRUBQ7)2007/07/19 - Daily B:8031.00 A:8049.00  
O 8043.00 H 8200.00 L 7951.00 C 8028.00 V 2,524 T 80,280 I O -3



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	7806	7945	8028	8200	8322
MCX August	7816	7920	8000	8124	8228

### TRADE RECOMMENDATIONS

Sell NMCE August Rubber near Rs. 8015- 8035 with a target at Rs. 7996 and then Rs. 7954 with a strict stop loss at Rs.8056.

Sell MCX August Rubber near Rs. 7986-8008 with a target at Rs. 7968 and then Rs.7928 with a strict stop loss at Rs.8025. Trade cautiously with intra day outlook.

### DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		18.07.2007	19.07.2007	
Kottayam	RSS-4	8200	8100	-100
	RSS-5	8050	7950	-100
Cochin	RSS-4	8200	8075	-125
	RSS-5	8050	7950	-100



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### INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		18.07.2007	19.07.2007	
Bangkok	RSS-3	8322	8323	+1
	RSS-4	8286	8286	-
Kuala Lumpur	SMR-20	8127	8214	+87
	Latex (60%drc)	5253	5294	+41

### INTERNATIONAL PRICES (AS OF JULY 19, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
July 2007	251.7	251.7	249.6	249.9	+0.8
August 2007	251.4	253.0	250.1	251.1	+1.8
September 2007	249.5	253.2	249.0	250.9	+2.4

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