



RUBBER

Aug 10, 2007

SPOT MARKETS

Domestic spot rubber prices made gain on Thursday. Rubber prices at Kottayam as well as in Cochin remain high, for RSS-4 and RSS-5 grade. On the other hand, at international market in Bangkok; prices were decreased for RSS-3 and RSS-4 grade.

FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.9367/ctl and traded between the range of Rs.9368 - 9550/ctl, before closing at Rs.9430/ctl. Rs.9 down by the previous close of Rs.9439/ctl. The volume of August contract traded decreased drastically, as compared to the previous trading session. On the other hand, MCX Rubber August contract, which is opened at Rs.9300/ctl and traded between the range of Rs.9124 - 9450/ctl, before closing at Rs.9450/ctl, Rs.314 up by the previous close of Rs.9136/ctl. The volume of the August contract, increased marginally while, open interest decreased drastically, as compared to the previous trading session.

PRICE DRIVERS

Bullish:

1. The monsoon to disrupt tapping and latex production.
2. Decline in Rubber output, due to viral fever gripping in rubber growing areas in Kerala.
3. Growing demand from tyer manufacturers.
4. Depleting rubber stock.

Bearish:

1. Strong rupee; limiting the scope for export.
2. Excess stock of latex.

WEATHER

Rain/thundershowers are likely at most places over Kerala, north Telangana. Coastal Karnataka, Konkan & Goa, Lakshadweep, Andaman & Nicobar and other rubber growing areas. Isolated over the rest region outside Tamil. 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 positive region; supporting the firmness in the market. 9-day RSI is moving upward in overbought region. Stochastic is slightly declining in overbought region. The volume of August contract traded decreased drastically, as compared to the previous trading session. Rubber futures are likely to trade upward following a steady to firm opening.

RUBBER 0708(NMRUBQ7)2007/08/09 - Daily B:9422.00 A:9439.00
O 9486.00 H 9550.00 L 9368.00 C 9430.00 V 673 T 94,300 I O +45
EMA(9) 9140.0 (18) 8855.3



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	9268	9363	9430	9522	9618
MCX August	9013	9240	9450	9567	9668

TRADE RECOMMENDATIONS

Buy NMCE August Rubber near Rs. 9422 - 9442 with a target at Rs. 9468 and then Rs. 9516 with a strict stop loss at Rs.9394.

Buy MCX August Rubber near Rs. 9440 - 9462 with a target at Rs. 9498 and then Rs.9555 with a strict stop loss at Rs.9412. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		08.08.2007	09.08.2007	
Kottayam	RSS-4	9250	9300	+50
	RSS-5	9000	9025	+25
Cochin	RSS-4	9250	9300	+50
	RSS-5	9000	9025	+25



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INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		08.08.2007	09.08.2007	
Bangkok	RSS-3	8763	8725	-38
	RSS-4	8727	8689	-38
Kuala Lumpur	SMR-20	8692	8763	+71
	Latex (60%drc)	5526	5600	+74

INTERNATIONAL PRICES (AS OF AUGUST 09, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	253.2	256.8	253.2	254.5	+1.4
September 2007	253.8	256.8	253.8	255.1	+1.4
October 2007	254.1	255.9	253.5	254.6	+0.7

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