

## RUBBER

Aug 31, 2007

### SPOT MARKETS

According to General Statistical Office, between January and August, the Vietnam is estimated to have exported 422,000 tonnes of rubber valued at US\$808 million, down by 1.2% in volume terms and down by 0.6% in value terms. Domestic spot rubber prices made a gain on Wednesday. Rubber prices at Kottayam as well as in Cochin remain high, for RSS-4 and RSS-5 grade. Same trend were observed, at international market in Bangkok; prices were up for RSS-3 and RSS-4 grade.

### FUTURES MARKETS

NMCE Rubber September contract, opened at Rs.8782/qty and traded between the range of Rs.8800 - 9070/qty, before closing at Rs.8911/qty. Rs.129 up by the previous close of Rs.8782/qty. The volume of September contract traded increased drastically, as compared to the previous trading session. While, MCX Rubber September contract opened at Rs.8800/qty and traded between the range of Rs.8800 - 8968/qty, before closing at Rs.8825/qty, Rs.125 up by the previous close of Rs.8700/qty. Both the volume as well as open interest of September contract traded decreased marginally, 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 tyre manufacturers.

#### 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 weakness in the market. 9-day RSI is rising in overbought region. Stochastic also is rising in overbought region. The volume as of September contract traded increased drastically, as compared to the previous trading session. NMCE Rubber futures are likely to trade upward following a steady to firm opening.

RUBBER 0709(NMRUBU7)2007/08/30 - Daily B:8906.00 A:8910.00  
O 8782.00 H 9070.00 L 8782.00 C 8911.00 V 2,363 T 89,110 I 0 +122  
EMA(9) 8609.6 (18) 8513.5



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE September	8624	8774	8911	9069	9228
MCX September	8689	8766	8825	8934	9032

### TRADE RECOMMENDATIONS

Buy NMCE September Rubber near Rs.8905 - 8920 with a target at Rs. 8980 and then Rs.9062 with a strict stop loss at Rs.8850.

Buy MCX September Rubber near Rs. 8818 - 8834 with a target at Rs. 8870 and then Rs.8928 with a strict stop loss at Rs.8796. Trade cautiously with intra day outlook.

### DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		29.08.2007	30.08.2007	
Kottayam	RSS-4	8600	8750	+150
	RSS-5	8350	8500	+150
Cochin	RSS-4	8600	8750	+150
	RSS-5	8350	8500	+150



## RUBBER

Aug 31, 2007

### INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		29.08.2007	30.08.2007	
Bangkok	RSS-3	8646	8697	+51
	RSS-4	8610	8660	+50
Kuala Lumpur	SMR-20	8456	8518	+62
	Latex (60%drc)	5610	5673	+63

### INTERNATIONAL PRICES (AS OF AUGUST 30, 2007)

#### Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
September 2007	248.2	248.2	245.8	245.8	+5.3
October 2007	248.5	248.8	245.8	245.8	+4.3
November 2007	248.6	249.2	245.5	245.5	+4.5

#### Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.