

RUBBER

Agriwatch
DAILY

RUBBER

Aug 14, 2007

SPOT MARKETS

Domestic spot rubber prices made sharp loss on Monday. Rubber prices at Kottayam as well as in Cochin remain low, for RSS-4 and RSS-5 grade. The estimated rubber production for 2007-08 is 8.74 lakh tonnes as against 8.53 lakh tonnes last year. While consumption for current year has been projected as 8.53 lakh tonnes. As a result of; the large scale import during the last year, the stock of natural rubber in the country at the beginning of the financial year was 1.6 lakh tonnes. At the end of July 2007, there was a stock of 1 lakh tonnes of rubber in the country, while at the end of July 2006, it was only 60,000 tonnes.

FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.9178/qty and traded between the range of Rs.8811 - 9150/qty, before closing at Rs.9050/qty. Re.128 down by the previous close of Rs.9178/qty. The volume of August contract traded decreased marginally, as compared to the previous trading session. While, MCX Rubber August contract, which is opened at Rs.9200/qty and traded between the range of Rs.8998 - 9200/qty, before closing at Rs.9079/qty, Rs.294 down by the previous close of Rs.9373/qty. The volume of the August contract, decreased drastically, while open interest, 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 below 9-day EMA, while above 18-day EMA indicating that short-term trend remains bearish while intermediate-term trend remains bullish. MACD shows little uptrend in positive region; supporting the firmness in the market. 9-day RSI is moving downward in neutral region. Stochastic is declining in neutral region. The volume of August contract traded decreased marginally, as compared to the previous trading session. NMCE Rubber futures are likely to trade downward following a steady to weak opening.

RUBBER 0708(NMRUBQ7)2007/08/13 - Daily B:9002.00 A:9075.00
O 9178.00 H 9178.00 L 8811.00 C 9050.00 V 242 T 90,500 I 0 -150
EMA(9) 9166.8 (18) 8955.4



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	8646	8862	9050	9224	9386
MCX August	8889	8993	9079	9202	9287

TRADE RECOMMENDATIONS

Sell NMCE August Rubber near Rs. 9040 - 9058 with a target at Rs. 8972 and then Rs. 8874 with a strict stop loss at Rs.9118.

Sell MCX August Rubber near Rs. 9068 - 9088 with a target at Rs. 9038 and then Rs.8996 with a strict stop loss at Rs.9110. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		10.08.2007	13.08.2007	
Kottayam	RSS-4	9275	8925	-350
	RSS-5	8975	8725	-250
Cochin	RSS-4	9275	8900	-375
	RSS-5	8975	8675	-300



■ RUBBER

■ Aug 14, 2007

INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		09.08.2007	10.08.2007	
Bangkok	RSS-3	8725	8665	-60
	RSS-4	8689	8630	-59
Kuala Lumpur	SMR-20	8763	8605	-158
	Latex (60%drc)	5600	5512	-88

INTERNATIONAL PRICES (AS OF AUGUST 13, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	250.0	250.2	249.6	249.9	-0.1
September 2007	251.0	251.0	249.4	249.8	-0.6
October 2007	250.8	251.0	249.6	251.0	+0.5

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.