

RUBBER

Agriwatch
DAILY

RUBBER

Aug 13, 2007

SPOT MARKETS

Domestic spot rubber prices made loss on Saturday. On Friday, Rubber prices at Kottayam as well as in Cochin remain low, for RSS-4 and RSS-5 grade. The same trend was observed, at international market in Bangkok; prices were decreased for RSS-3 and RSS-4 grade. According to rubber board, shortage in rubber production, as a result of contagious fever among farmers and labourers in Kerala's rubber growing districts was less than 50000 tonnes compared with the same period last year. As of there is no need to worry about production fall and non-availability of natural rubber in the market.

FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.9400/qty and traded between the range of Rs.9150 - 9448/qty, before closing at Rs.9200/qty. Re.22 up by the previous close of Rs.9178/qty. 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.9499/qty and traded between the range of Rs.9261 - 9499/qty, before closing at Rs.9373/qty, Rs.77 down by the previous close of Rs.9450/qty. The volume as well as open interest of the August contract, 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.
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 downward in neutral region. Stochastic is declining in overbought region. The volume of August contract traded decreased drastically, as compared to the previous trading session. NMCE Rubber futures are likely to trade upward following a steady to firm opening.

RUBBER 0708(NMRUBQ7)2007/08/11 - Daily B:9140.00 A:9200.00
O 9416.00 H 9448.00 L 9150.00 C 9200.00 V 244 T 92,000 I O -215
EMA(9) 9196.0 (18) 8944.3



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	8972	9103	9200	9409	9566
MCX August	9162	9265	9373	9532	9635

TRADE RECOMMENDATIONS

Buy NMCE August Rubber near Rs. 9190 - 9220 with a target at Rs. 9282 and then Rs. 9398 with a strict stop loss at Rs.9126.

Buy MCX August Rubber near Rs. 9362 - 9384 with a target at Rs. 9444 and then Rs.9522 with a strict stop loss at Rs.9318. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		09.08.2007	10.08.2007	
Kottayam	RSS-4	9300	9275	-25
	RSS-5	9025	8975	-50
Cochin	RSS-4	9300	9275	-25
	RSS-5	9025	8975	-50



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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 10, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	249.8	250.9	249.5	250.0	-4.5
September 2007	252.6	252.6	249.5	250.4	-4.7
October 2007	251.6	251.6	248.5	250.5	-4.1

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