

RUBBER

Agriwatch
DAILY

RUBBER

Aug 09, 2007

SPOT MARKETS

Domestic spot rubber prices remain steady on Wednesday. Rubber prices at Kottayam as well as in Cochin remain steady, 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. In India, demand for rubber for automotive use was going up by, 7 per cent annually, while demand in other sectors was rising by, around 3 per cent. The Rubber Board said India exported 57,000 tonnes of rubber in 2006/07 and was expected to sell 70,000 tonnes overseas this financial year.

FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.9450/mtl and traded between the range of Rs.9212 - 9473/mtl, before closing at Rs.9385/mtl. Rs.18 up by the previous close of Rs.9367/mtl. 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.9248/mtl and traded between the range of Rs.8894 - 9271/mtl, before closing at Rs.9160/mtl, Rs.95 down by the previous close of Rs.9255/mtl. 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.
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 overbought region. Stochastic is rising 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)2007/08/08 - Daily B:9370.00 A:9385.00
O 9457.00 H 9473.00 L 9212.00 C 9385.00 V 858 T 93,850 I O -85
EMA(9) 9067.5 (18) 8787.7



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	9119	9232	9385	9481	9642
MCX August	8965	9075	9160	9344	9476

TRADE RECOMMENDATIONS

Buy NMCE August Rubber near Rs. 9378 - 9395 with a target at Rs. 9428 and then Rs. 9474 with a strict stop loss at Rs.9348.

Buy MCX August Rubber near Rs. 9152 - 9172 with a target at Rs. 9236 and then Rs.9322 with a strict stop loss at Rs.9092. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		07.08.2007	08.08.2007	
Kottayam	RSS-4	9250	9250	--
	RSS-5	9000	9000	--
Cochin	RSS-4	9250	9250	--
	RSS-5	9000	9000	--



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INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		07.08.2007	08.08.2007	
Bangkok	RSS-3	8873	8763	-110
	RSS-4	8838	8727	-111
Kuala Lumpur	SMR-20	8784	8692	-92
	Latex (60%drc)	5548	5526	-22

INTERNATIONAL PRICES (AS OF AUGUST 08, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	257.5	257.5	253.1	253.1	-1.9
September 2007	255.0	256.6	253.1	253.7	-1.6
October 2007	256.3	257.1	253.1	253.9	-1.9

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