



## RUBBER

Aug 11, 2007

### SPOT MARKETS

Domestic spot rubber prices made loss 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.

### FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.9439/mt and traded between the range of Rs.9251 - 9444/mt, before closing at Rs.9415/mt. Re.1 down by the previous close of Rs.9416/mt. The volume of August contract traded decreased marginally, as compared to the previous trading session. On the other hand, MCX Rubber August contract, which is opened at Rs.9400/mt and traded between the range of Rs.9223 - 9499/mt, before closing at Rs.9450/mt, Rs.39 up by the previous close of Rs.9411/mt. 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 slightly downward in overbought region. Stochastic is slightly declining in overbought 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)2007/08/10 - Daily B:9405.00 A:9419.00  
O 9439.00 H 9444.00 L 9251.00 C 9415.00 V 600 T 94,150 I 0 -15  
EMA(9) 9195.0 (18) 8914.2



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	9170	9291	9415	9489	9560
MCX August	9124	9290	9450	9566	9667

### TRADE RECOMMENDATIONS

Sell NMCE August Rubber near Rs. 9402 - 9422 with a target at Rs. 9368 and then Rs. 9312 with a strict stop loss at Rs.9451.

Buy MCX August Rubber near Rs. 9443 - 9460 with a target at Rs. 9498 and then Rs.9562 with a strict stop loss at Rs.9408. 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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