

# RUBBER

Agriwatch  
DAILY

## RUBBER

Aug 17, 2007

### SPOT MARKETS

Domestic spot rubber prices made sharp loss on Thursday. 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, the estimated production of 2007-08 is 8.74 lakh tonnes as against 8.53 lakh tonnes last year. This year consumption also has been projected as 8.53 lakh tonnes. The estimated production of 2007-08 is 8.74 lakh tonnes as against 8.53 lakh tonnes last year. This year consumption also has been projected as 8.53 lakh tonnes.

### FUTURES MARKETS

NMCE Rubber September contract, opened at Rs.8231/ctl and traded between the range of Rs.8020- 8231/ctl, before closing at Rs.8152/ctl. Rs.4 down by the previous close of Rs.8156/ctl. The volume of September contract traded increased marginally, as compared to the previous trading session. While, MCX Rubber August contract, which is opened at Rs.9100/ctl and traded between the range of Rs.8920 - 9184/ctl, before closing at Rs.8990/ctl, Rs.14 down by the previous close of Rs.9004/ctl. The volume as well as open interest of the August contract remains steady, 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 bellow 9-day EMA and, 18-day EMA indicating that short-term trend as well as intermediate-term trend remains bullish. MACD shows downtrend in positive region; supporting the weakness in the market. 9-day RSI is moving downward in neutral region. Stochastic is declining in neutral region. The volume of September contract traded increased marginally, as compared to the previous trading session. NMCE Rubber futures are likely to trade downward following a steady to weak opening.

RUBBER 0709(NMRUBU7)2007/08/16 - Daily B:8150.00 A:8152.00  
O 8231.00 H 8231.00 L 8021.00 C 8152.00 V 2,357 T 81,520 I O -73  
EMA(9) 8356.7 (18) 8368.6



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE September	7924	8036	8152	8265	8352
MCX August	8853	8918	8990	9063	9117

### TRADE RECOMMENDATIONS

Sell NMCE September Rubber near Rs. 8144 - 8158 with a target at Rs. 8102 and then Rs. 8040 with a strict stop loss at Rs.8188.

Sell MCX August Rubber near Rs. 8980 - 8998 with a target at Rs. 8958 and then Rs.8920 with a strict stop loss at Rs.9019. Trade cautiously with intra day outlook.

### DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		14.08.2007	16.08.2007	
Kottayam	RSS-4	8650	8300	-350
	RSS-5	8350	8000	-350
Cochin	RSS-4	8600	8300	-300
	RSS-5	8350	8000	-350



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### INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		14.08.2007	16.08.2007	
Bangkok	RSS-3	8643	8608	-35
	RSS-4	8608	8572	-36
Kuala Lumpur	SMR-20	8453	8314	-139
	Latex (60% drc)	5500	5480	-20

### INTERNATIONAL PRICES (AS OF AUGUST 16, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	243.7	245.4	242.1	242.1	-2.4
September 2007	244.0	246.3	242.5	242.9	-1.8
October 2007	244.1	246.9	242.7	243.3	-1.8

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