

RUBBER

Aug 30, 2007

SPOT MARKETS

Vietnam is estimated to have exported 70,000 metric tonnes of rubber in August, up by 4.5% as compare to the same month last year, the General Statistical Office said. While the value of rubber exports this month is estimated to have risen to US\$143 million from US\$142 million in the same month last year. Domestic spot rubber prices made a gain on Wednesday. Rubber prices at Kottayam as well as in Cochin remain high, for RSS-4 and RSS-5 grade. Same trend were observed, at international market in Bangkok; prices were up for RSS-3 and RSS-4 grade.

FUTURES MARKETS

NMCE Rubber September contract, opened at Rs.8556/qty and traded between the range of Rs.8505 - 8790/qty, before closing at Rs.8789/qty. Rs.169 up by the previous close of Rs.8556/qty. The volume of September contract traded increased drastically, as compared to the previous trading session. While, MCX Rubber September contract opened at Rs.8575/qty and traded between the range of Rs.8520 - 8725/qty, before closing at Rs.8711/qty, Rs.72 up by the previous close of Rs.8639/qty. Both the volume as well as open interest of September contract traded increased drastically, 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 tyer 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 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 weakness in the market. 9-day RSI is rising in neutral region. Stochastic is rising in neutral region. Both the volume as well as open interest of September contract traded increased marginally, as compared to the previous trading session. MCX Rubber futures are likely to trade upward following a steady to firm opening.

RUBBER 0709(NMRUBU7)2007/08/29 - Daily B:8772.00 A:8789.00
O 8556.00 H 8790.00 L 8505.00 C 8789.00 V 1,723 T 87,890 I O +238
EMA(9) 8534.3 (18) 8466.7



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE September	8604	8668	8789	8859	8963
MCX September	8470	8577	8711	8779	8857

TRADE RECOMMENDATIONS

Buy NMCE September Rubber near Rs.8780 - 8800 with a target at Rs. 8820 and then Rs.8855 with a strict stop loss at Rs.8760.

Buy MCX September Rubber near Rs. 8702 - 8720 with a target at Rs. 8738 and then Rs.8776 with a strict stop loss at Rs.8684. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		24.08.2007	29.08.2007	
Kottayam	RSS-4	8500	8600	+100
	RSS-5	8300	8350	+50
Cochin	RSS-4	8500	8600	+100
	RSS-5	8300	8350	+50



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INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		28.08.2007	29.08.2007	
Bangkok	RSS-3	8533	8646	+133
	RSS-4	8497	8610	+113
Kuala Lumpur	SMR-20	8450	8456	+6
	Latex (60%drc)	5610	5610	—

INTERNATIONAL PRICES (AS OF AUGUST 29, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
September 2007	244.5	244.5	240.5	240.5	-4.9
October 2007	243.0	243.0	240.3	241.5	-3.7
November 2007	242.0	242.6	240.3	241.0	-4.5

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