

RUBBER

Aug 07, 2007

SPOT MARKETS

Domestic spot rubber made gain on Monday. Rubber prices at Kottayam as well as in Cochin remain high, 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 April - July rubber import to the country rose 35 per cent to 28,942 tonnes compared with 21,399 tonnes in the same period in previous year. On the other hand, natural rubber export from the country slipped 60 per cent to 12,499 compared with 31,109 tonnes in the same period.

FUTURES MARKETS

NMCE Rubber August contract, opened at Rs.8982/ctl and traded between the range of Rs.8925 - 9341/ctl, before closing at Rs.9341/ctl. same that of the previous close price. The volume of August contract traded increased drastically, as compared to the previous trading session. Similar situation is observed in MCX Rubber August contract, which is opened at Rs.8865/ctl and traded between the range of Rs.8811 - 9171/ctl, before closing at Rs.9122/ctl, Rs.304 up by the previous close of Rs.8818/ctl. The volume of the August contract, increased drastically while, open interest increased marginally, as compared to the previous trading session.

PRICE DRIVERS

Bullish:

1. The monsoon at its full swing which disrupt tapping and latex production.
2. Decline in Rubber output, due to viral fever gripping in rubber growing areas in Kerala.
3. Quality problems with rubber stock.
4. Down in rubber output due to, abnormal leaf-fall caused by fungus infection in certain rubber growing areas.

Bearish:

1. Strong rupee; limiting the scope for export.
2. Excess stock of latex.

WEATHER

Rain/thundershowers are likely at most places over Kerala, Coastal Karnataka, Konkan & Goa, Andaman & Nicobar and other rubber growing areas. 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 upward in overbought region. Stochastic is also rising in overbought region. The volume of August contract traded increased drastically, as compared to the previous trading session. Rubber futures are likely to trade upward following a steady to firm opening.

RUBBER 0708(NMRUBQ7)2007/08/06 - Daily B:9341.00
O 8982.00 H 9341.00 L 8925.00 C 9341.00 V 1,508 T 93,410 I 0 +351
EMA(9) 8867.7 (18) 8628.9



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE August	8785	9068	9341	9485	9627
MCX August	8767	8918	9122	9266	9407

TRADE RECOMMENDATIONS

Buy NMCE August Rubber near Rs. 9330 - 9355 with a target at Rs. 9400 and then Rs. 9478 with a strict stop loss at Rs.9288.

Buy MCX August Rubber near Rs. 9110 - 9134 with a target at Rs. 9184 and then Rs.9258 with a strict stop loss at Rs.9068. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		03.08.2007	06.08.2007	
Kottayam	RSS-4	8950	9050	+100
	RSS-5	8750	8850	+100
Cochin	RSS-4	8925	9050	+125
	RSS-5	8750	8850	+100



RUBBER

Aug 07, 2007

INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		03.08.2007	06.08.2007	
Bangkok	RSS-3	8972	8947	-25
	RSS-4	8936	8912	-24
Kuala Lumpur	SMR-20	8663	8658	-5
	Latex (60%drc)	5474	5483	+9

INTERNATIONAL PRICES (AS OF AUGUST 06, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	256.5	258.2	256.5	257.3	+0.6
September 2007	257.1	258.5	257.1	257.4	+0.2
October 2007	258.1	258.9	257.8	257.8	+0.4

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.