

# RUBBER

Agriwatch  
DAILY

## RUBBER

Aug 29, 2007

### SPOT MARKETS

Asian rubber futures settled higher on Tuesday, as gains in raw material prices and stronger crude oil futures spurred renewed buying interest among day traders. Sentiment was also lifted strong buying interest from consumers concerned that prices will rise further in coming sessions, he said. While Physical prices of Thai USS3 rubber lower due to upturn in supply as rains subside in Thailand's main southern rubber growing areas, allowing farmers to tap as usual.

### FUTURES MARKETS

NMCE Exchange was close on Tuesday. MCX Rubber September contract opened at Rs.8550/ql and traded between the range of Rs.8451 - 8650/ql, before closing at Rs.8650/ql, Rs.107 up by the previous close of Rs.8543/ql. Both the volume as well as open interest of September contract traded increased 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 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(MXRUBU7)2007/08/28 - Daily B:8630.00 A:8650.00  
O 8550.00 H 8650.00 L 8451.00 C 8650.00 V 43 T 3,700 I 180 +107  
EMA(9) 8476.2 (18) 8433.7



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE September	8404	8476	8551	8605	8672
MCX September	8392	8517	8543	8717	8784

### TRADE RECOMMENDATIONS

Buy NMCE September Rubber near Rs.8545 - 8560 with a target at Rs. 8574 and then Rs.8600 with a strict stop loss at Rs.8530.

Buy MCX September Rubber near Rs. 8535 - 8552 with a target at Rs. 8610 and then Rs.8700 with a strict stop loss at Rs.8485. Trade cautiously with intra day outlook.

### DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		24.08.2007	28.08.2007	
Kottayam	RSS-4	8500	NA	--
	RSS-5	8300	NA	--
Cochin	RSS-4	8500	NA	--
	RSS-5	8300	NA	--



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### INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		24.08.2007	28.08.2007	
Bangkok	RSS-3	8486	8533	+47
	RSS-4	8450	8497	+47
Kuala Lumpur	SMR-20	8367	8450	+83
	Latex (60%drc)	5574	5610	+36

### INTERNATIONAL PRICES (AS OF AUGUST 27, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	236.0	236.0	236.0	236.0	+0.3
September 2007	238.5	241.5	238.1	240.5	+4.5
October 2007	240.0	241.2	238.3	240.4	+3.8

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