

RUBBER

Agriwatch
DAILY

RUBBER

Aug 23, 2007

SPOT MARKETS

Domestic spot rubber prices made a Loss on Wednesday. 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 September contract, opened at Rs.8594/qty and traded between the range of Rs.8390 - 8540/qty, before closing at Rs.8400/qty. Rs.194 down by the previous close of Rs.8594/qty. The volume of September contract traded increased drastically, as compared to the previous trading session. While, MCX Rubber September contract, opened at Rs.8500/qty and traded between the range of Rs.8373 - 8510/qty, before closing at Rs.8373/qty, Rs.171 down by the previous close of Rs.8544/qty. The volume of September contract traded increased drastically, while open interest 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 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 downtrend in positive region; supporting the weakness in the market. 9-day RSI is moving upward in neutral region. Stochastic is rising in neutral region. The volume of September contract traded increased drastically, as compared to the previous trading session. NMCE Rubber futures are likely to trade upward following a steady to weak opening.

RUBBER 0709(NMRUBU7)2007/08/22 - Daily B:8385.00 A:8410.00
O 8594.00 H 8594.00 L 8390.00 C 8400.00 V 2,507 T 84,000 I O -191
EMA(9) 8370.6 (18) 8364.4



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE September	8237	8314	8400	8598	8674
MCX September	8237	8304	8373	8514	8564

TRADE RECOMMENDATIONS

Sell NMCE September Rubber near Rs.8388 - 8408 with a target at Rs. 8364 and then Rs.8318 with a strict stop loss at Rs.8428.

Sell MCX August Rubber near Rs. 8360 - 8380 with a target at Rs. 8345 and then Rs.8308 with a strict stop loss at Rs.8398. Trade cautiously with intra day outlook.

DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		21.08.2007	22.08.2007	
Kottayam	RSS-4	8500	8475	-25
	RSS-5	8250	8250	-
Cochin	RSS-4	8500	8475	-25
	RSS-5	8250	8250	-

COMMODITIES RESEARCH



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INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		21.08.2007	22.08.2007	
Bangkok	RSS-3	8694	8551	-143
	RSS-4	8657	8516	-141
Kuala Lumpur	SMR-20	8377	8313	-64
	Latex (60%drc)	5579	5540	-39

INTERNATIONAL PRICES (AS OF AUGUST 22, 2007)

Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
August 2007	232.3	232.6	231.0	231.0	-4.5
September 2007	234.1	235.9	232.2	234.4	-2.9
October 2007	234.2	236.0	231.8	234.6	-3.0

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