

## RUBBER

Sep 03, 2007

### SPOT MARKETS

Domestic spot rubber prices made loss on Saturday. News of rain-induced production delays in Thailand, Malaysia, earlier than expected onset of wintering, and also, low production season in Indonesia, making rubber firm in global market. Strong demand from tire manufacturers for physical rubber also supportive for further gain in rubber prices.

### FUTURES MARKETS

NMCE Rubber September contract, opened at Rs.8917/qty and traded between the range of Rs.8830 - 8945/qty, before closing at Rs.8920/qty. Rs.4 down by the previous close of Rs.8924/qty. The volume of September contract traded decreased drastically, as compared to the previous trading session. While, MCX Rubber September contract opened at Rs.8764/qty and traded between the range of Rs.8701 - 8839/qty, before closing at Rs.8782/qty, Rs.30 up by the previous close of Rs.8752/qty. The volume of September contract traded decreased drastically, while open interest 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 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 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 overbought region. Stochastic is declining slightly in overbought region. The volume as of September contract traded decreased drastically, as compared to the previous trading session. NMCE Rubber futures are likely to trade upward following a steady to firm opening.

RUBBER 0709(NMRUBU7)2007/09/01 - Daily B:8911.00 A:8924.00  
O 8863.00 H 8945.00 L 8830.00 C 8920.00 V 752 T 89,200 I O +60  
EMA(9) 8711.8 (18) 8588.9



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
NMCE September	8781	8853	8920	8966	9018
MCX September	8639	8705	8782	8843	8909

### TRADE RECOMMENDATIONS

Buy NMCE September Rubber near Rs.8912 - 8930 with a target at Rs. 8942 and then Rs.8964 with a strict stop loss at Rs.8900.

Buy MCX September Rubber near Rs. 8775 - 8790 with a target at Rs. 8807 and then Rs.8840 with a strict stop loss at Rs.8758. Trade cautiously with intra day outlook.

### DOMESTIC RUBBER PRICES

Centers	Category	Price (Rs / 100kg)		Change
		30.08.2007	31.08.2007	
Kottayam	RSS-4	8750	8800	+50
	RSS-5	8500	8500	-
Cochin	RSS-4	8750	8800	+50
	RSS-5	8500	8500	-



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### INTERNATIONAL PRICES

Centers	Category	Price (Rs / 100kg)		Change
		30.08.2007	31.08.2007	
Bangkok	RSS-3	8697	8724	+27
	RSS-4	8660	8689	+29
Kuala Lumpur	SMR-20	8518	Close	—
	Latex (60%drc)	5673	Close	—

### INTERNATIONAL PRICES (AS OF AUGUST 31, 2007)

#### Tokyo Commodity Exchange (TOCOM)

Yen / kg

Contract Month	Open	High	Low	Settle	Change
September 2007	246.6	249.8	245.9	248.6	+2.8
October 2007	245.7	249.3	245.4	248.4	+2.6
November 2007	246.0	249.0	245.5	248.5	+3.0

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