



Commodities Research



## Daily NMCE Agro Outlook



02 July 2009

### Rubber

NMCE rubber futures declined Wednesday due decrease in spot prices and lacking quantity buyers from the tyre sector. Futures in Tokyo lost as much as 2.7 percent after rising Tuesday to the highest in almost two weeks. Natural rubber futures dropped after a Bank of Japan survey showed business confidence rebounded less than expected, raising concern that a slow recovery may curb demand for the raw material used in vehicle tires.

Natural rubber production in India, the world's fourth-biggest producer, declined 10 per cent last month after dry weather lowered yield in the main growing region, the state-owned Rubber Board said. Exports slumped to 750 tonne in the first two months of the year started April 1 from 5,000 tonne a year ago. Stockpiles rose to 178,000 tonne at the end of May, compared with 150,000 tonne a year earlier. India produced 855,000 tonne last year, up from 825,345 tonne a year ago and consumed 866,000 tonne, according to the board.

Global rubber consumption is expected to fall 7 percent in 2009 to 20.8 million tonnes, compared with an earlier forecast of an 8 percent fall, according to the secretary-general of the International Rubber Study Group on Tuesday. The group forecast that world rubber consumption will grow 2.7 percent in 2010 to 21.4 million tones, compared with a 3 to 4 percent growth forecast he made on March 24.

NMCE rubber moved in the range of Rs.97.49-96.50 last traded at Rs.96.75 (97.52). Open interest decreased by 53 to 2400. Rubber stocks at NMCE accredited warehouses stood at 188 Mt.

NMCE Rubber (July) Bullish above **97.15**, next levels are **97.56**, and **98.30**. Bearish below **96.47**, next levels are **96.06** and **94.77**.

International Markets (Rubber) 01/07/2009			Change in INR (PAISA)	Rate in INR
TOCOM	Day Session	July futures	-40	77.02
		Average	-125	77.21
	Night Session	July futures	-15	76.87
		Average	+51	77.70
MALAYSIA			+14	77.20
THAILAND			-38	80.13

#### Exchange data

Commodity	LTP.	High	Low	OP.Int	OPI. Change
RUBBER- July	96.75	97.49	96.5	2400	-53

#### Technical levels

TAR 2	<b>98.30</b>
TAR 1	<b>97.56</b>
<b>Bullish above</b>	<b>97.15</b>
<b>Bearish below</b>	<b>96.47</b>
TAR 1	<b>96.06</b>
TAR 2	<b>94.77</b>

### INTRADAY OUTLOOK



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