



Daily NMCE Agro Outlook



Commodities Research

03 July 2009

Rubber

NMCE rubber futures advanced Thursday on Chinese manufacturing data boosted optimism demand from the biggest consumer will grow. Natural rubber also affected by the news that, Thailand, the world's largest exporter, raised offers to foreign buyers after the release of Chinese manufacturing data.

In the Tokyo Commodity Exchange, Rubber for December delivery, the most-active contract, fell 0.5 percent to 157.9 yen a kilogram (\$1,632 a ton) on the after trading as high as 161.0 yen.

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.98.00-96.25 last traded at Rs.97.40 (96.71). Open interest decreased by 143 to 2257. Rubber stocks at NMCE accredited warehouses decreased by 14 to 174 Mt.

INTRADAY OUTLOOK

NMCE Rubber (July) Bullish above **97.80**, next levels are **98.20**, and **98.96**. Bearish below **97.13**, next levels are **96.72** and **95.42**.

International Markets (Rubber) 02/07/2009			Change in INR (PAISA)	Rate in INR
TOCOM	Day Session	July futures	+114	78.11
		Average	+32	77.46
	Night Session	July futures	-	-
		Average	-	-
MALAYSIA			+53	77.54
THAILAND			+36	80.49

Exchange data

Commodity	LTP.	High	Low	OP.Int	OPI. Change
RUBBER- July	97.4	98	96.25	2257	-143

Technical levels

TAR 2	98.96
TAR 1	98.20
Bullish above	97.80
Bearish below	97.13
TAR 1	96.72
TAR 2	95.42



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