



ANALYST: Anu V Pai

◆ **RSS4 in the spot market dropped to its lowest since early January on Tuesday.** However, RSS4 in the futures market were seen bouncing back, trimming the initial losses, after testing three month low. Meanwhile, latex (drc 60%) continued it's uptrend.

◆ In the midst of 'wintering' in rubber growing region in Kerala, slow down in tapping coupled with thinning difference between the quotes prevailing in the local and international markets may provide firm support, though subdued demand from the major natural rubber consuming industries may limit gains keeping the market in a tight range. With almost little difference existing between quotes in the international market and local market, imports may become less attractive and probably will result in the increase in demand for the local produce. Moreover, it may improve the prospects of exports, though currency fluctuations may influence the possibilities. **With market trading in tight ranges for quiet long time, wide swings look increasingly possible in the near future.**

◆ Consistent rise in natural rubber production and imports may also exert downward pressure on natural rubber prices in the Indian markets.

◆ Natural rubber in the international market were seen rising on Wednesday. Tocom rubber futures were up more than two per cent supported by weak yen and also by decrease in supply from top natural rubber producer due to wintering amid steady demand from tyre manufacturers.

◆ **Indian natural rubber imports soared in January, rising 223 per cent to 26375 tonnes according to latest statistics Rubber Board. Natural rubber production in January was at 102500 tonnes (up 3.7 per cent on YoY basis) while consumption was at 82000 tonnes. However, Rubber Board expects natural rubber production to fall steeply in February and March.**

◆ **China's NR imports at 140,000 tonnes in January versus 210,000 tonnes in December and 150,000 tonnes a year ago.**

◆ **India's natural rubber production in the FY2012-13 is likely to rise 4.4 per cent to 942000 tonnes (YoY) while consumption is expected to be 1006000 tonnes during the same period-Rubber Board.**

Commodity	LTP	Chg%
Crude (\$/bbl)	101.36	0.62
TocomRubber (Y/kg)	324	2.18
AFET Rubber (TBH/kg)	132.8	2.95
SHFERubber (Yuan/ton)	28940	2.48
Currency	LTP	Chg%
USD/INR	49.26	-0.48
USD/JPY	78.53	0.14

* LTP: Last traded price at 9:25 am

ARBITRAGE WINDOW : Across Domestic as well as International markets**Kottayam RSS4 Spot: Rs.186.50 Latex (drc 60%): Rs.130.50****NMCE RUBBER FUTURES**

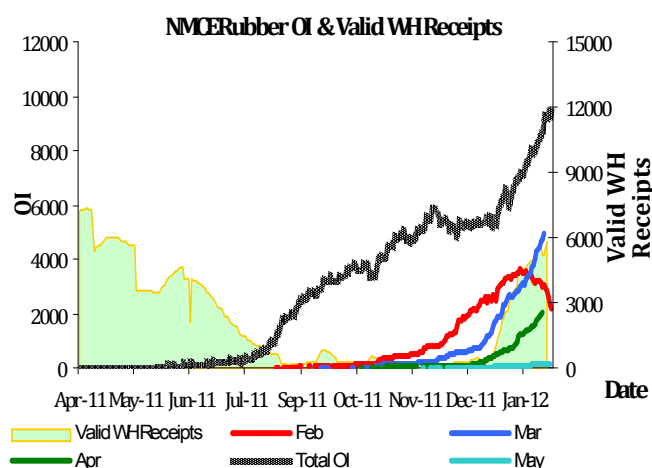
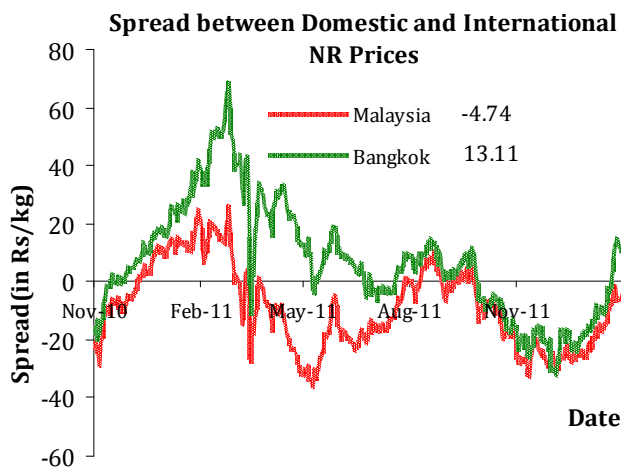
Contract	Open	High	Low	Last	% Chg	Vol	▲ Vol	OI	▲ OI
Feb-12	18925	18925	18700	18867	0.21	434	-364	2149	-162
Mar-12	19171	19187	18975	19157	-0.06	3140	1034	4961	222
Apr-12	19810	19825	19605	19794	-0.07	1382	596	2014	21
May-12	20100	20150	20018	20130	-0.10	120	50	197	16

SPREAD

	Feb-12	Mar-12	Apr-12	May-12
Spot	-217	-507	-1144	-1480
Feb-12	0	-290	-927	-1263
Mar-12		0	-637	-973
Apr-12			0	-336
May-12				0

INTERNATIONAL RUBBER PRICES (in Rs.)

Origin	Close (Rs/kg)	Chg
Bangkok (RSS3) Spot	199.61	-
Malaysia (SMR20) Spot	181.76	-0.33
AFET (RSS3) Sep 12	208.37	No Chg
Tocom (RSS3)Jul12	202.80	0.31
Shanghai (RSS3) May12	223.16	-0.98



TECHNICAL VIEW



RUBBER nmce Mar:

The bounce back from 18950 region witnessed yesterday have the potential to extend towards 19270-19400 levels but it requires to clear the hurdle at 19400 for any further upsides till 19660. Unexpected fall below 18950 could trigger a fresh sell off.

Resistances	Turnaround Levels	Supports
19270-19400	19660-18950-18500	19040-18950
19540-19660		18650-18500
19790-19940-20070		18400-18200-17950

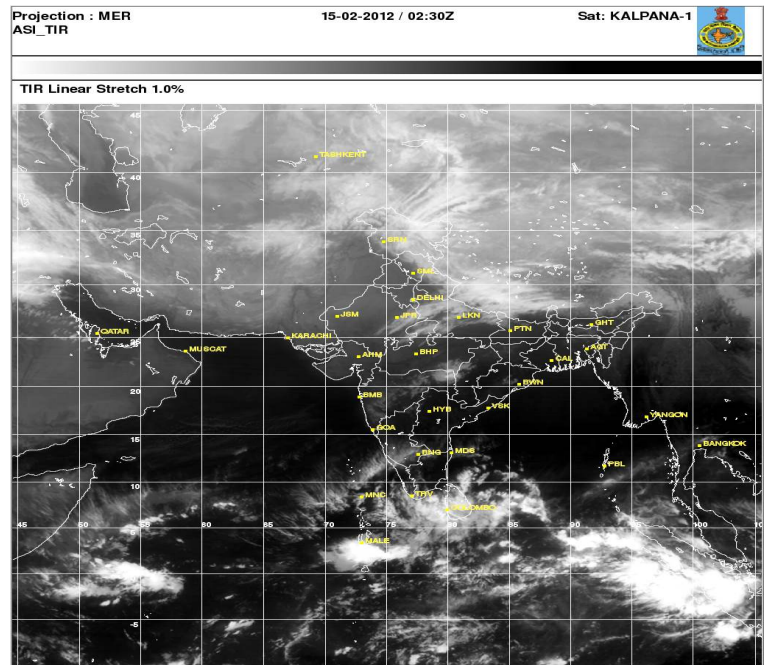
WEATHER

DAILY WEATHER KERALA (Source: IMD)

SUMMARY: Dry weather prevailed over Kerala and Lakshadweep. Minimum temperature fell in Kollam district and changed little in the other districts. Punalur recorded the lowest minimum temperature of 20degreeC.

FORECAST AND FARMERS WEATHER BULLETIN VALID UNTIL THE MORNING OF 16TH FEBRUARY 2012: Mainly dry weather will prevail over Kerala and Lakshadweep.

OUTLOOK FOR SUBSEQUENT TWO DAYS (17TH - 18TH FEBRUARY 2012): No significant change.



Source: IMD

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