



ANALYST: Anu V Pai

◆ RSS4 in the Indian markets dwindled on Thursday with the most active March rubber futures in NMCE slipping to fresh contract lows pressured by a sharp fall in the international rubber market amid weak fundamentals in domestic market. Quotes in the spot market were hovering near it lowest levels since early January.

◆ 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.

◆ In the international market, natural rubber prices were seen recovering from the previous session slump on Friday riding on positive economic indicators from US and optimism that Greece may secure the second bailout package next week.

◆ **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.**

◆ **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)	102.41	0.11
TocomRubber (Y/kg)	319.8	1.88
AFET Rubber (TBH/kg)	128.6	1.1
SHFERubber (Yuan/ton)	27940	0.16
Currency	LTP	Chg%
USD/INR	49.27	-0.24
USD/JPY	79.05	0.16

\* LTP: Last traded price at 9:45 am

**ARBITRAGE WINDOW : Across Domestic as well as International markets****Kottayam RSS4 Spot: Rs.186.00 Latex (drc 60%): Rs.129.45****NMCE RUBBER FUTURES**

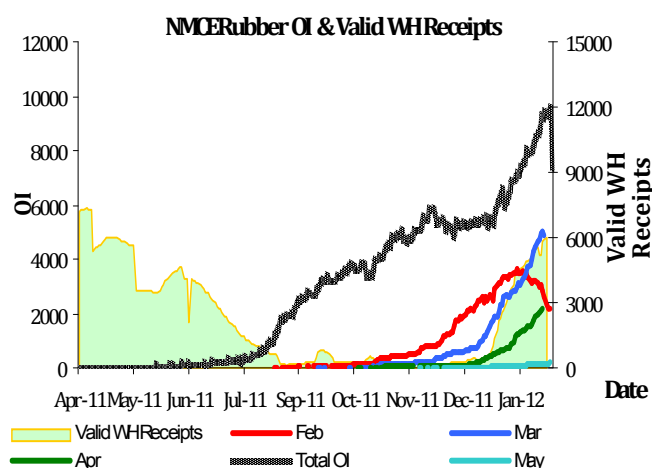
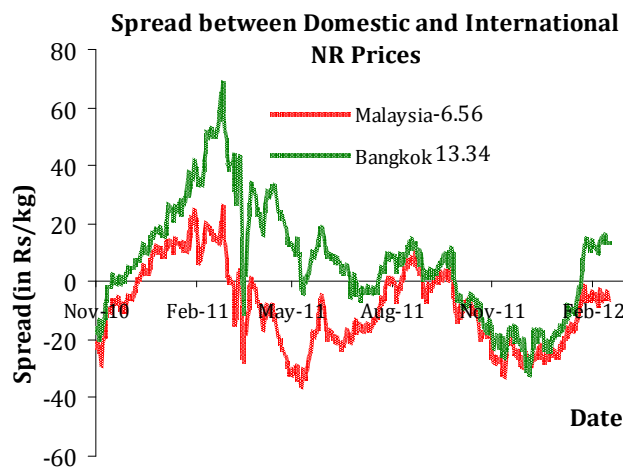
Contract	Open	High	Low	Last	% Chg	Vol	▲ Vol	OI	▲ OI
Mar-12	19010	19010	18750	18786	-1.64	3214	1136	4872	-162
Apr-12	19517	19565	19325	19375	-1.60	1914	762	2208	120
May-12	19800	19910	19605	19665	-1.97	216	112	241	46
Jun-12	20135	20135	19870	19910	-1.73	62	60	29	4

**SPREAD**

	Mar-12	Apr-12	May-12	Jun-12
Spot	-186	-775	-1065	-1310
Mar-12	0	-589	-879	-1124
Apr-12		0	-290	-535
May-12			0	-245
Jun-12				0

**INTERNATIONAL RUBBER PRICES (in Rs.)**

Origin	Close (Rs/kg)	Chg
Bangkok (RSS3) Spot	199.34	-0.71
Malaysia (SMR20) Spot	179.44	-2.93
AFET (RSS3) Sep 12	205.18	-8.22
Tocom (RSS3)Jul12	198.43	-6.07
Shanghai (RSS3) May12	217.92	-8.63



# TECHNICAL VIEW



## RUBBER nmce Mar:

While the broad trend continues to remain weak and has the potential to test 18500 region in the near term as prices breached the strong support at 18950, a bounce back towards 18850-18960 levels seems to be possible for the day before resuming its downtrend. However a rise beyond 19000 region will have some more upsides in store.

Resistances	Turnaround Levels	Supports
18850-18960	19090-18500	18650-18500
19090-19270		18400-18200
19400-19540-19660		17950-17700-17500

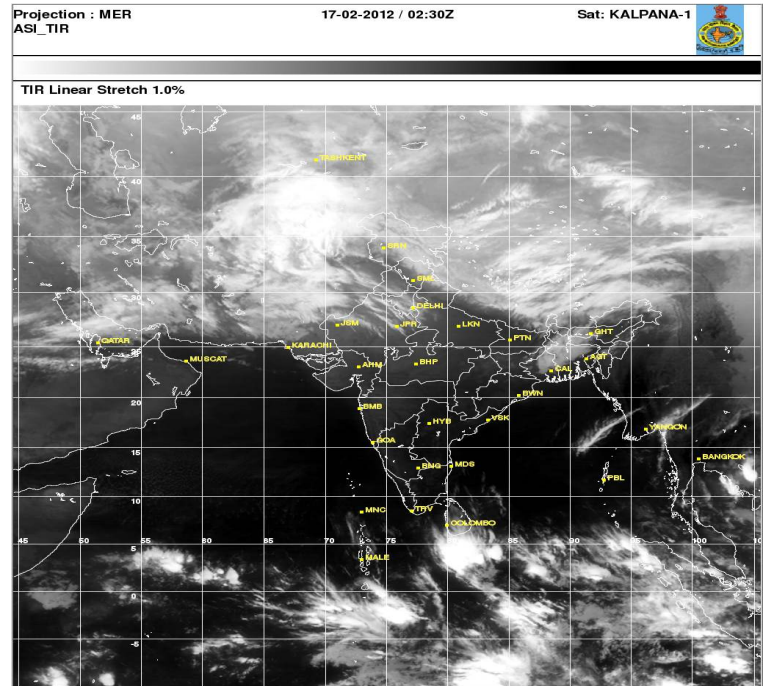
# WEATHER

## DAILY WEATHER KERALA (Source: IMD)

**SUMMARY:** Dry weather prevailed over Kerala and Lakshadweep. Minimum temperature rose appreciably in Kollam district and changed little in the other districts. Kannur recorded the lowest minimum temperature of 21.0C.

**FORECAST AND FARMERS WEATHER BULLETIN VALID UNTIL THE MORNING OF 18TH FEBRUARY 2012:** Mainly dry weather will prevail over Kerala and Lakshadweep.

**OUTLOOK FOR SUBSEQUENT TWO DAYS (19TH - 20TH FEBRUARY 2012):** No significant change.



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