



ANALYST: Anu V Pai

◆ RSS4 in the spot market was up by a tad on Monday though activities remained subdued. NMCE remained closed yesterday on account of 'Mahashivrathri' and will reopen today.

◆ RSS4 had slumped to its lowest in two years the previous week. Muted demand from the major rubber consuming industries, higher imports, concerns over economic growth and slowing car sales have been putting downward pressure amid higher stock estimates and consistent rise in natural rubber production. However, rise in natural rubber prices in the international markets and the ongoing lean production period may provide a cushion to falling prices. Earlier quotes prevailing in the Indian markets used to be on a premium to that in other major market like Bangkok (RSS3) or Malaysia (SMR20). However, since late January this difference has been narrowing down and presently Indian RSS4 is on a discount to Bangkok RSS3.

◆ In the international market, natural rubber was seen extending the previous session gains on Tuesday. Tocom rubber futures edged higher tracking gain in crude oil price sand over optimism prevailing over Greece. China cutting the interest rates the other day also supported the sentiments.

◆ Thai rubber intervention scheme delayed to March due to legislative processes (Reuters).

◆ 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)	104.92	1.63
TocomRubber (Y/kg)	328.6	0.55
AFET Rubber (TBH/kg)	131	0.54
SHFERubber (Yuan/ton)	28735	1.72
Currency	LTP	Chg%
USD/INR	49.095	-0.44
USD/JPY	79.67	0.08

* LTP: Last traded price at 9:55 am

ARBITRAGE WINDOW : Across Domestic as well as International markets**Kottayam RSS4 Spot: Rs.185.00 Latex (drc 60%): Rs.128.40****NMCE RUBBER FUTURES**

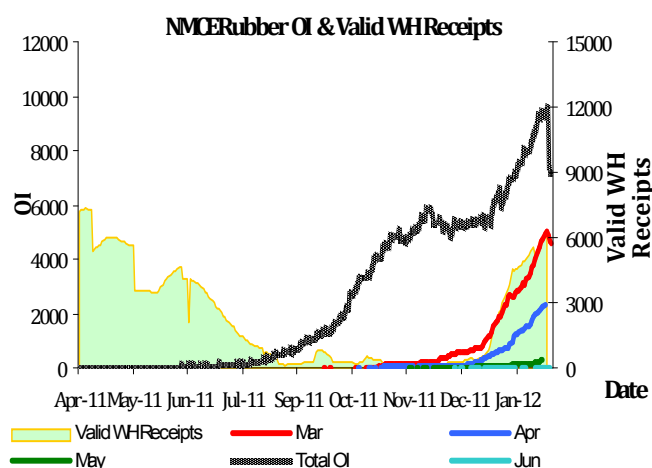
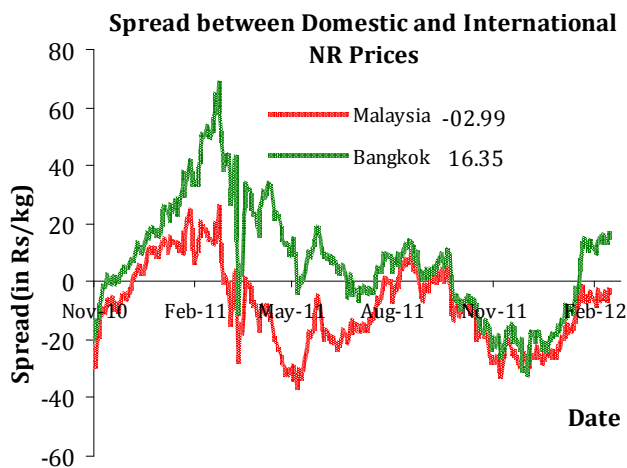
Contract	Open	High	Low	Last	% Chg	Vol	▲ Vol	OI	▲ OI
Mar-12	18352	18539	18311	18498	0.40	1192	-3386	4556	-100
Apr-12	18960	19134	18923	19099	0.25	652	-2334	2293	67
May-12	19400	19450	19261	19416	0.26	82	-204	270	-3
Jun-12	19501	19650	19501	19551	-0.06	8	-24	35	1

SPREAD

	Mar-12	Apr-12	May-12	Jun-12
Spot	2	-599	-916	-1051
Mar-12	0	-601	-918	-1053
Apr-12		0	-317	-452
May-12			0	-135
Jun-12				0

INTERNATIONAL RUBBER PRICES (in Rs.)

Origin	Close (Rs/kg)	Chg
Bangkok (RSS3) Spot	201.35	2.03
Malaysia (SMR20) Spot	182.01	1.67
AFET (RSS3) Sep 12	209.87	0.08
Tocom (RSS3)Jul12	202.93	5.40
Shanghai (RSS3) May12	221.96	2.31



TECHNICAL VIEW



RUBBER nmce Mar:

While the broad trend continues to remain weak, for the day bounce back from 18200 region have the potential to test 18700-18800 region followed by a turn lower. A direct fall below 18200 may call for further weakness towards 17900 levels.

Resistances	Turnaround Levels	Supports
18540-18750	18900-18200	18300-18200
18900-19090		17950-17700
19270-19400		17500-17200

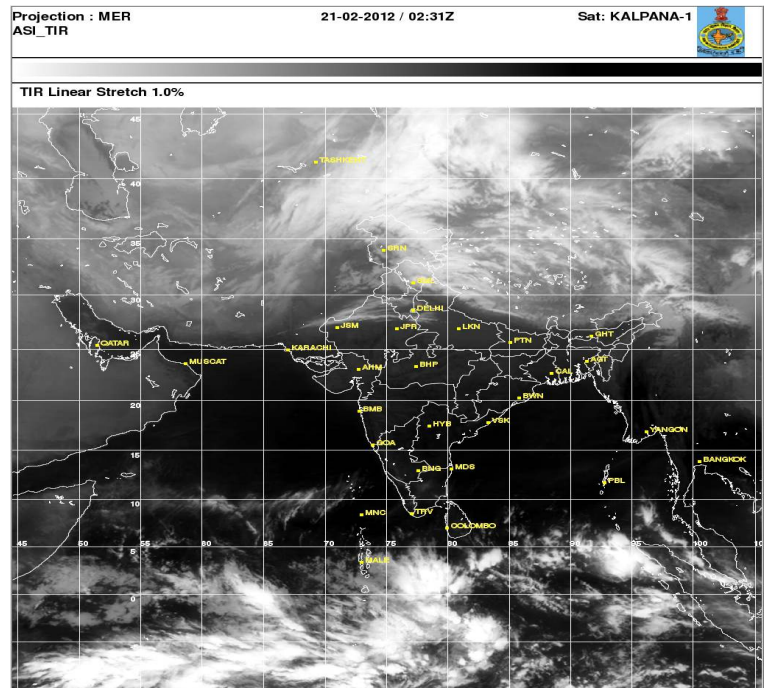
WEATHER

DAILY WEATHER KERALA (Source: IMD)

SUMMARY: Dry weather prevailed over Kerala and Lakshadweep. Minimum temperature fell in Kottayam & Thrissur districts 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 22ST FEBRUARY 2012: Mainly dry weather will prevail over Kerala and Lakshadweep.

OUTLOOK FOR SUBSEQUENT TWO DAYS (23RD - 24TH FEBRUARY 2012): No significant change.



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