

# Daily TOCOM Rubber Price Outlook and Strategy

Decision enabling market analysis & price outlook

For Dec 30, 2013

Report Summary					
TOCOM RSS3 Jun'14 Futures	JPY 277.3 (+2.5) as on December 27, 2013				
Fundamental Summary	<b>Critical factors</b>	<b>Impact</b>	<b>Weightage %</b>	<b>Score (1-5)</b>	
	Mounting stocks with major consumers	Marginal Bearish	25%	2	
	Higher stocks and production estimates for 2014	Marginal Bearish	25%	2	
	India hiked NR import duty	Marginal Bullish	20%	4	
	Likely positive cues from China and US economy to revamp the NR demand	Marginal Bullish	30%	4	
<b>Indexed Score</b>				<b>3</b>	
Below 2 – Bearish; 2 to 2.5 – Marginal Bearish; 2.6 to 3 – Consolidation; 3 to 4– Marginal Bullish; above 5 – Bullish					
Technical Summary	TOCOM Rubber prices have been trading on mixed note amid slightly bullish sentiments for last couple of sessions. Momentum indicators are turning upward however hovering close to the line of equilibrium exhibiting indecisiveness in the market.				
Price outlook summary	<b>Prices are likely to continue moving towards JPY 280 however shall remain range-bound upon reaching there between JPY 272-280 ahead of rising up further in the coming 3-4 sessions.</b>				
Price Ranges	<b>Next five sessions</b>			<b>Next ten sessions</b>	
	Price Range	Bias		Price Range	Bias
	272-280	Range Bound		262-282	Range Bound
Strategy Review	The suggested long position in <b>May'14</b> futures contract was filled at JPY 271 on Dec 25 <sup>th</sup> 2013. (Dec 27 <sup>th</sup> closing: JPY 276.2) Traders may hold the same inline with the below mentioned strategy.				
Trading Strategy	<b>Filled on</b>	<b>Position</b>	<b>Filled at</b>	<b>Objective</b>	<b>Stop Loss</b>
	Dec 25 <sup>th</sup> 2013	Bought	At 271	Near 292	Close Below 274

Performance Audit		
TOCOM NR Futures	Since 2005 (TD)	FY 2012-13
Range honored %	68.66%	71.43%
Net profit / Gross profit Ratio %	73.90%	79.40%

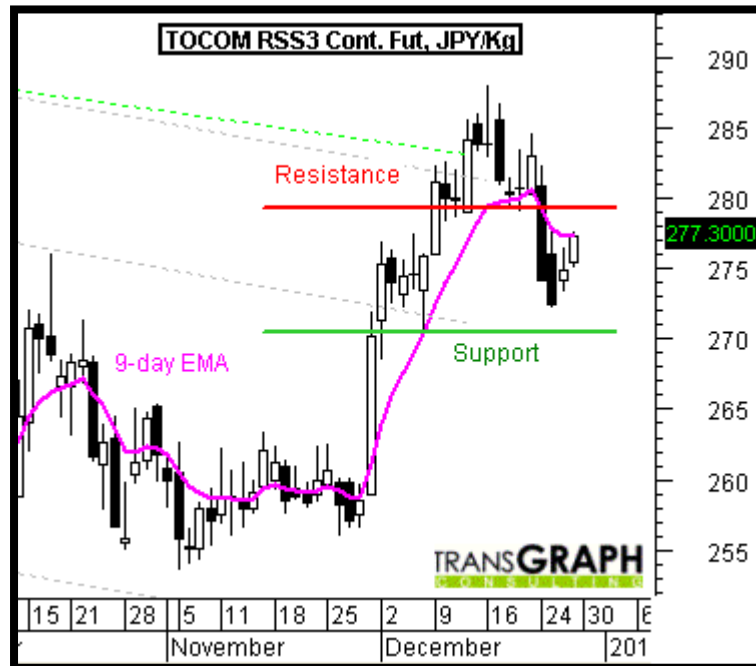
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## Fundamental Analysis

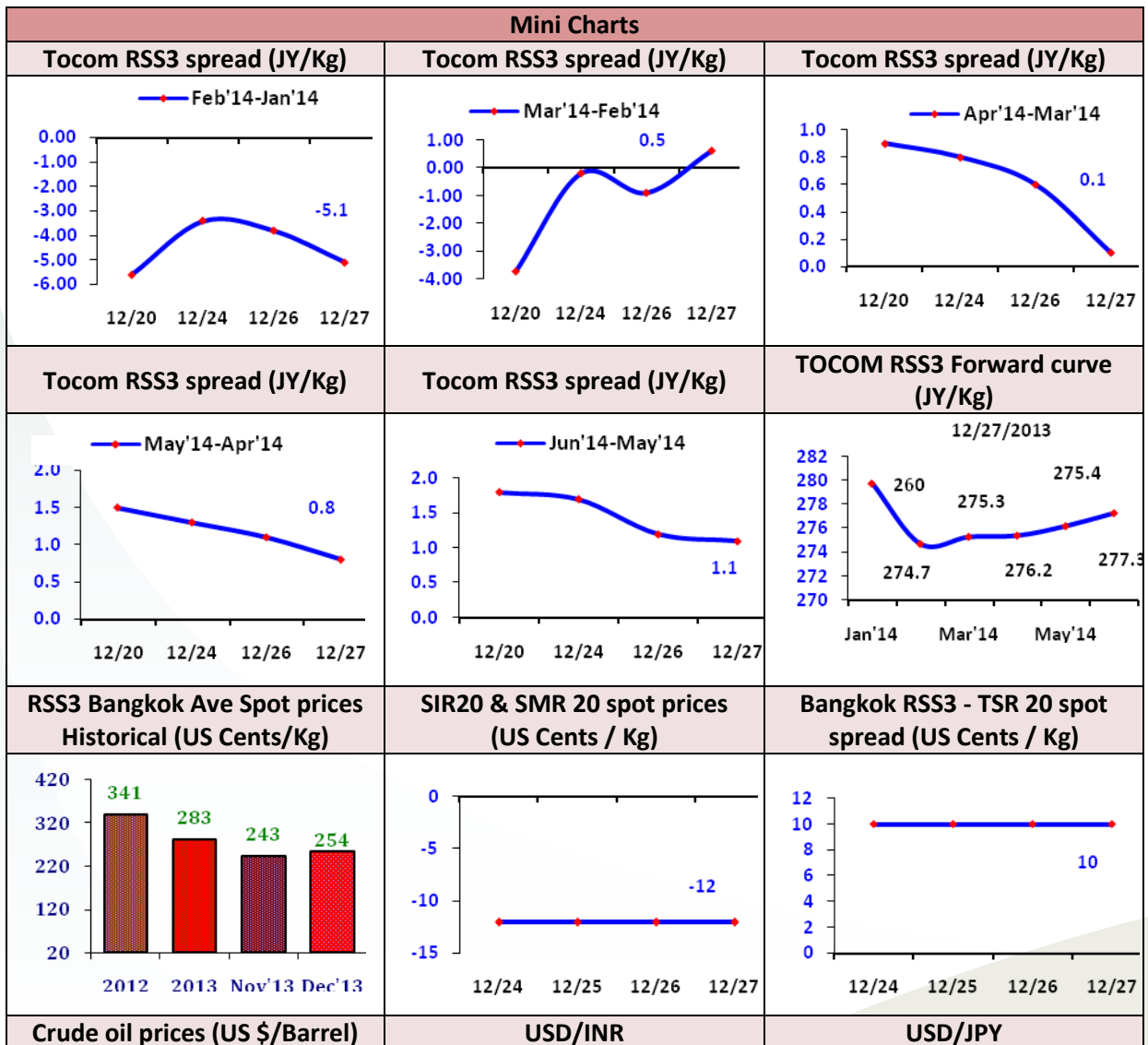
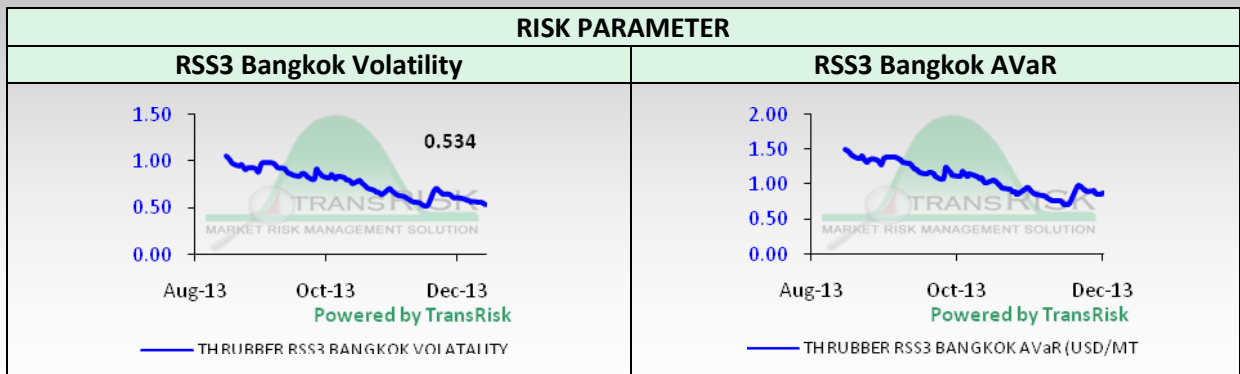
Fundamentals for this commodity shall not be available for daily reports dated Dec 30<sup>th</sup> 2013. We regret the inconvenience caused.

## Technical Outlook: TOCOM RSS3 Jun'14 futures

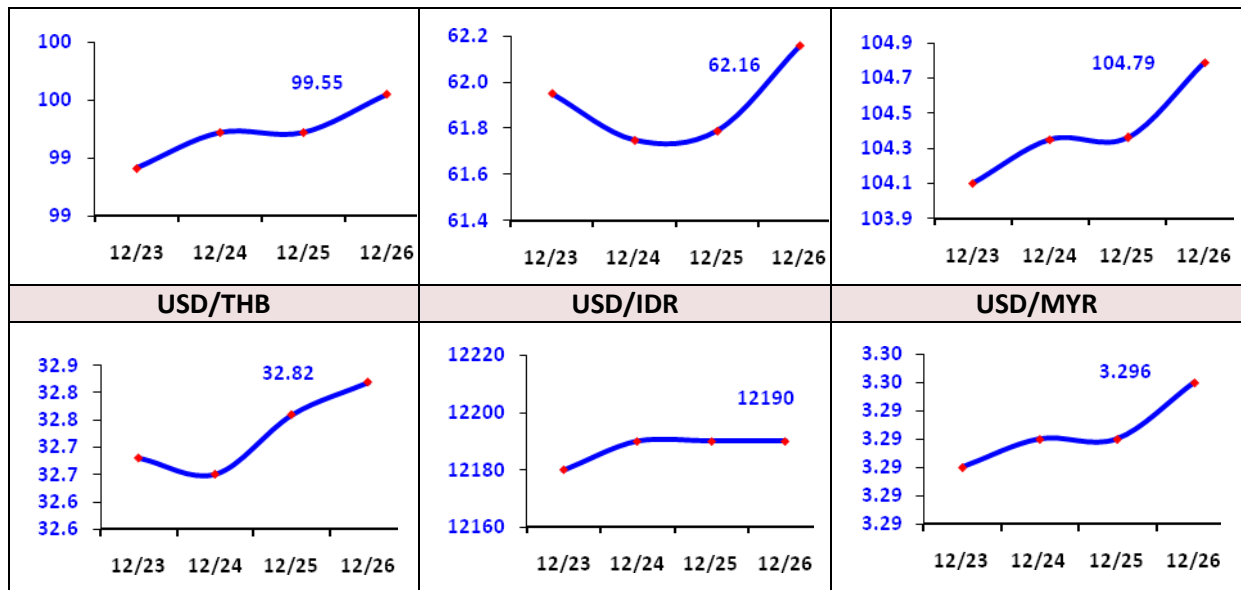
- ✓ TOCOM Rubber Jun'14 futures prices traded on slightly positive note in the last session to close at JPY 277.3 gaining 2.5 points from the previous close.
- ✓ On the daily technical setup the Stochastic (14/3/3) and 14-days RSI are turning upward while hovering close to the line of equilibrium exhibiting indecisiveness in the market.
- ✓ 9-days EMA is providing minor resistance to the prices from going upward however the downside potential shall remain limited between a support-range of JPY 270-267.
- ✓ Candlestick chart analysis suggests that prices are gradually moving upward in the direction of the medium term trend upon finding support area around JPY 271.
- ✓ On the downside, JPY 271 could act as an immediate support followed by JPY 266 to provide a stiff support whereas on the higher side JPY 279 could act as an immediate resistance level followed by JPY 283 as strong one.



Concisely, prices are likely to continue moving towards JPY 280 however shall remain range-bound upon reaching there between JPY 272-280 ahead of rising up further in the coming 3-4 sessions.



## Daily Tocom Rubber Price Outlook and Strategy



### Spot Prices

Grade	Market	Dec 27 2013
<b>Global Natural Rubber</b>		
RSS 3, (THB/Kg)	Bangkok	83.4(0)
STR 20, (US cents/Kg)	Bangkok	245(0)
SIR 20 (US cents/Kg)	Indonesia	233(0)
SMR 20, (US cents/Kg)	Malaysia	245(0)
<b>Indian NR, Kottayam – INR/QtI</b>		<b>Dec 26 2013</b>
RSS-4	Kottayam	16150(150)
RSS-5	Kottayam	15250(150)
ISNR-20	Kottayam	15500(100)
Latex (60% drc)	Kottayam	11890(315)

### Futures Prices

Rubber RSS3 prices in JY/Kg									
Market	Contract	Session	Dec 27 2013				Change (Previous close)	Cumulative Volume	Cumulative Open Interest
			Open	High	Low	Close			
TOCOM RSS3 (Yen/kg)	May'14	Day	274.2	276.4	274.1	276.2	2.6(273.6)	5308	27231
		Electronic	274.2	276.4	274	276.2	2.6(273.6)		
	Jun'14	Day	275.6	277.5	275.1	277.3	2.5(274.8)		
		Electronic	275.4	277.5	275	277.3	2.5(274.8)		

In Tocom, 1 lot = 5 tons.

## Daily Tocom Rubber Price Outlook and Strategy

Spread View – TOCOM RSS3 (JY/Kg)						
Expiry	Closing Price	Jan'14	Feb'14	Mar'14	May'14	Jun'14
Jan'14	279.8	-5.1	-4.5	-4.4	-3.6	-2.5
Feb'14	274.7		0.6	0.7	1.5	2.6
Mar'14	275.3			0.1	0.9	2
Apr'14	275.4				0.8	1.9
May'14	276.2					1.1
Jun'14	277.3					

Currency Market Update	
	Dec 26 2013
USD vs. JPY	104.79(0.43)
USD vs. THB	32.82(0.06)
USD vs. INR	62.16(0.37)
USD vs. MYR	3.296(0)
USD vs. EUR	1.3691(0)
USD vs. IDR	12190(0)
Dollar Index	80.484(0.04)

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