

TOCOM Rubber steady on equities rally, Crude Oil gains

TOKYO, SHANGHAI (Rubber Country): Rubber prices traded steady at Tokyo Commodity Exchange while it continued to fall at Shanghai Futures Exchange (SHFE) with positive factors such as rise in US corporate earnings, crude oil prices providing firm support to prices.

At TOCOM, March delivery contract rose 0.6 Yen to 261.3 Yen per kg while at SHFE, most active January contract fell 70 Yuan to 25300 Yuan per ton.

The market is awaiting new housing starts data to be released by US Commerce Department for further cues even as core inflation grew 2% in the twelve months to September, the fastest pace since April. US equities rallied as corporate earnings were better than expected giving positive signals for recovery that augurs well for commodities, according to Sreekumar Raghavan, Chief Commodity Strategist at Commodity Online.

The rubber cartel represented by Thailand, Indonesia and Malaysia have collaborated to ensure that global supplies are regulated to arrest the downfall in prices. From October 1, the rubber cartel has reached an agreement to curtail exports by 300,000 tons while government procurement has raised stocks in Thailand to 200,000 tons which will not be released in the global market.

Crude Oil prices traded positive at \$114 per barrel for Brent and \$92.03/bbl for WTI crude providing firm support to rubber complex.