

Daily report on Natural Rubber

MARKET COMMENTARY

RSS4 in the local market carried on to vary in thin ranges with a negative bias. Despite steep upsides seen in the overseas market, natural rubber in the local market remained under pressure from expectation of higher arrivals. Also, demand from the major rubber consuming sector remained muted even as there are reports of growers holding back the produce in anticipation of better prices. On Tuesday, the most active January rubber futures in NMCE inched down even as prices continued to remain trapped in 16800-16500 ranges. In the spot market too RSS4 was quoted slightly lower. However, lessening gap between prices prevailing in the local and international market and possible restocking by the tyre sector is likely to cushion prices.

A mixed trend in natural rubber prices is being witnessed in the overseas market on Wednesday. TOCOM rubber futures are seen extending the previous session gains while, SHFE and AFET rubber futures retreated. Rising for the fourth successive session, TOCOM rubber futures hit seven-month high tracking gains in oil and shares.

TECHNICAL VIEW

The Kerala State Cooperative Rubber Marketing Federation (RubberMark) has called for steps to impose a total ban on import of rubber as well as encouraging exports by extending subsidy.

Ivory Coast expects to produce 300,000 metric tons of rubber in 2013 as it plans to raise funds for developing new production zones of the crop.

China will cut import taxes on two types on natural rubber for 2013. Import tariff for smoked rubber sheets will be set at 20 per cent with a cap at 1200 Yuan a tonne and for TSNR, it will be lowered to a maximum of 1200 Yuan a tonne.

The world's top three rubber producers have agreed to keep up a policy of cutting exports, but see no need for additional steps to support prices, according to a senior Thai government official.

India's natural rubber imports in November jumped 41 percent from year ago to 22,748 tonnes as lower prices in overseas markets prompted tyre makers to raise imports. The output during the month eased to 93,500 tonnes from 94,400.