

Pullback in TOCOM Rubber as Crude Oil prices tumble

TOKYO: Tokyo Rubber futures eased on Monday to 253.1 Yen from a high of 260 Yen attained last week as fall in crude oil prices, rise in rubber inventories at Shanghai and uncertain recovery in automobile sales in major markets.

The benchmark February contract fell 2.6 Yen in day session to 254.4 Yen and it fell further in the evening session to 253.1 yen. The Rubber inventories in the warehouses monitored by the SHFE rose 5.0 per cent to 44401 tonnes the previous week.

On Monday, US WTI Crude Oil Nov futures at Nymex fell \$1.22 to \$91.67 per barrel and looks set to break support at \$90 levels and test \$88 this week on rising US inventories and uncertain global economic recovery.

The global natural rubber surplus was about 275,000 metric tons at the end of August, according to Daud Husni Bastari, Chairman of the Rubber Association of Indonesia.

The leading rubber producers-Thailand, Indonesia and Malaysia are taking all efforts to keep rubber prices from falling through market intervention measures. Last week, Thailand Government has approved 30 bn baht for rubber market intervention.

The world's biggest natural rubber producer Thailand would produce 3.6 million tons this year, said the Association of Natural Rubber Producing Countries (ANRPC).According to ANRPC, Thailand produced 34.82% of global natural rubber followed by Indonesia (28.88%), Malaysia (9.71%), India (8.67%) and Vietnam (7.91%).