

Indian rubber futures seen steady this week

MUMBAI, Sept 4 (Reuters) – Natural rubber futures in India are likely to trade steady this week as thin arrivals offset poor demand from tyre makers due to a slowdown in car sales. On Tuesday, the key October rubber contract on India's National Multi Commodity Exchange ended almost flat at 17,090 rupees per 100 kg. The spot price of the most-traded RSS-4 rubber (ribbed, smoked sheet) in the Kochi market in Kerala was up 0.58 percent at 17,300 rupees per 100 kg. "Prices will remain stable... Supply is extremely tight due to continuous rains in Kerala," said George Valy, president of Indian Rubber Dealers Federation. Kerala is the country's biggest producer of rubber. Local demand is met by imported rubber as international prices are at a discount of 20 rupees per kg, traders said. "There will be some consolidation in rubber, but the trend is weak as imports have gone up," said Chowda Reddy, senior analyst with JRG Wealth Management, adding rubber may trade in the range of 16,600-17,500 rupees. India's natural rubber imports in April-July jumped nearly 27 percent on year to 76,666 tonnes. India imports natural rubber from Thailand, Indonesia, Malaysia and Vietnam. The world's fourth-biggest producer is likely to produce 942,000 tonnes of natural rubber in the current year, up from 899,400 tonnes a year ago, as production that was planned years ago comes onstream in non-traditional areas such as the north-eastern states. (Reporting by Siddesh Mayenkar; Editing by Sunil Nair)