

## **India rubber seen down as supplies improve**

Reuters – Natural rubber prices in India, the world’s fourth-biggest producer, are likely to nudge lower this week on weak demand and rising supplies, but the Thailand government’s plan to intervene in the market is seen limiting the downside. The benchmark July rubber on India’s National Multi-Commodity Exchange (NMCE) provisionally closed up 0.3 percent at 18,497 rupees per 100 kg on Tuesday. The spot price of the most traded RSS-4 rubber (ribbed, smoked sheet) in the Kochi market in southern Kerala state was steady at 18,600 rupees per 100 kg.

“For the past few months tyre makers are buying less than normal from domestic market due to availability of rubber from imports. That trend will continue,” said a senior official at Indian Rubber Dealers Federation, who declined to be named. “Now local supplies are improving due to rainfall in Kerala.” India’s natural rubber imports in May rose to 18,419 tonnes from 16,293 tonnes a year ago, state-run Rubber Board said earlier this month. India imports natural rubber from Thailand, Indonesia, Malaysia and Vietnam. Rubber market may get a shot in the arm if Thailand government starts buying rubber aggressively from farmers, dealers said. Thailand has bought only a fraction of the 200,000 tonnes of rubber sheet it planned to purchase under a government intervention scheme and is now looking for sales to China to help prop up prices, the deputy agriculture minister said. Dealers expect rubber consumption from tyre makers to drop in the coming months on lower demand from auto makers, who posted lacklustre sales in May. (Reporting by Rajendra Jadhav; Editing by Anand Basu)