

## **OUTLOOK-India rubber seen up on global cues, supply drop**

Reuters – Natural rubber futures in India are likely to rise this week tracking gains in the overseas markets and on lower supplies in local spot markets as farmers hold back stocks expecting a further rise in prices. On Tuesday, the key October rubber contract on India's National Multi Commodity Exchange provisionally ended 1.3 percent higher at 17,560 rupees per 100 kg. The spot price of the most-traded RSS-4 rubber (ribbed, smoked sheet) in the Kochi market in Kerala rose 1.4 percent to 17,700 rupees per 100 kg. "Supplies are very thin. Farmers are not selling. They are expecting further rise in prices," said George Valy, president of the Indian Rubber Dealers Federation. Tokyo rubber futures jumped nearly 4 percent on Monday on speculation that China and the United States could take further steps to stimulate their economies, dealers said. "Heavy rainfall over the past fortnight affected tapping. Even farmers with rain-guarded trees failed to continue tapping," Valy said. Kerala, the country's biggest producer of rubber, received 206 percent more rainfall than average in the week ended Sept 5. The gains are likely to be capped by weak demand from tyre makers and rising imports as overseas suppliers still offer rubber at a discount of 25 rupees per kg to the local price, dealers said. Car sales in India fell for the first time in 10 months in August, and motorcycle sales fell for the first time since January 2009, an industry body said. 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. (Reporting by Rajendra Jadhav; Editing by Prateek Chatterjee)