

Rubber price up on rising stocks in Japan, increased purchase by China

TOKYO (Commodity Online): Despite lower demand for rubber in Indian as well as in global market, the price of rubber in Tokyo Commodity Exchange (TOCOM) surged on Thursday to one week high, while in India's National Multi Commodity Exchange (NMCE), the commodity down marginally. According to reports, the rubber futures in TOCOM rose tracking rising stocks in Japan and increased purchase by China. China stepped up purchase of Malaysia rubber, raising hopes that the world's largest consumer will keep the momentum up, after the commodity plunged to 2 years low. The commodity was sold to China at \$2.83 to \$2.84 per kg, the lowest since at least December 2009. Also, the firm crude oil prices in the global market on the back of lower output in Norway added to price of rubber in the global market. But the gains capped by the lingering fear over the Euro zone crisis. The investors are reluctant in investing in riskier assets like rubber. Meanwhile, in India, the demand from the auto-mobile sector dropped drastically due to lower cars sales registered for the month of May amid higher arrivals in the domestic market putting pressure over the prices. Car sales in India dropped on higher petrol prices. For July delivery, in TOCOM, rubber traded 2.7 yen to 236.2 yen per Kg and in NMCE, the commodity traded at Rs 18590 per ton on 28th June at 11:15 IST.