

Asia Rubber-China buys nearby cargo; prices mixed

* SMR20 done at \$3.14, STR20 at \$3.11-\$3.12/kg

* SIR20 traded at 136.75-137.50 U.S cents/lb

* Trade may slow down next week

SINGAPORE, Jan 23 (Reuters) – China was in the market to buy rubber for nearby shipment, but purchases by the world’s largest consumer were likely to subside next week ahead of next month’s Lunar New Year break, dealers said on Wednesday.

Malaysia’s SMR20 rubber was sold to Chinese buyers at \$3.14 kg in a series of overnight deals, steady from last week.

Indonesia’s SIR20 was traded at 136.75 to 137.50 U.S. cents a pound for March (\$3.01 to \$3.03 a kg) to dealers in Singapore, who normally ship rubber to China.

“Chinese buyers are quite aggressive in the market. We managed to sell SMR20 to China and other buyers,” said a dealer in Singapore.

“But the shipment will be after the Chinese New Year. Supply is back to normal in Indonesia after heavy rains, and I also don’t see any problems in Malaysia or Thailand.” China imported 2.18 million tonnes of natural rubber in 2012, up 3.64 percent from 2011, mainly from Thailand, Indonesia and Malaysia. It accounts for 35 percent of global natural rubber consumption.

Thai STR20 grade was traded at \$3.11 to \$3.12 a kg for March late on Wednesday, down from \$3.14 last week. Another Thai grade, RSS3, was sold at \$3.32, higher than the offer price of \$3.20 a kg last week.

“There’s moderate buying interest from China. It’s quite mild, maybe because they are not certain about the direction of the market,” said a dealer in Thailand, referring to the Tokyo rubber futures declines.

A large rubber inventory in China was also a cause of concern and may curb demand in coming weeks as stocks in warehouses monitored by the Shanghai Futures Exchange hovered at their highest in more than two years.

Tokyo rubber futures, which set the tone for physical prices, ended Wednesday down around 1 percent after the yen bounced against the dollar and speculators stayed on the sidelines ahead of China’s manufacturing data, due on Thursday.

The most active contract, June, rallied to its highest in nine months on Jan. 11 after a falling yen spurred buying.

(Editing by Clarence Fernandez)