

Heavy rains in Thailand helps rebound in Natural Rubber prices

TOKYO, MUMBAI: Heavy rains in Thailand, stimulus measures, rubber producing cartels decision to curtail supplies by 450,000 tonnes have all helped rubber futures at Tokyo Commodity Exchange climb 2% to 258.7 per kg Yen very close to recent high of 260 Yen per kg.

Thailand Government had approved Thai Baht 30 bn to boost natural rubber prices recently while Indonesia and Malaysia along with Thailand have committed to reducing 300,000 tonnes of rubber exports this year to stem the fall in prices.

At India's National Multi-Commodity Exchange (NMCE), rubber futures October has climbed 2.93% to Rs 197.60. On an intra-day basis, Rubber October has strong support at 19680 while resistance is seen at 198, 200 levels, according to Sreekumar Raghavan, Chief Commodity Strategist at Commodity Online.

In India, average weekly prices monitored by Rubber Board has climbed to Rs 20,000 per 100 kg for week ending September 22, 2012. In September spot rubber prices have climbed 16.95% in the country due to adverse weather conditions that reduced supplies and expected increase in automobile sector demand.

Reports from Thailand said that heavy rains are expected to continue until Sunday with some areas in Bangkok witnessing flooding.

On the negative side, Eurozone debt crisis, weak demand from tyre industry and recent bearishness in crude oil prices could limit gains in prices, analysts added.