

## **Rubber prices surge on QE hopes, dry Indonesia weather, China imports**

TOKYO/KOCHI, INDIA : Rubber futures at Tokyo Commodity Exchange and across the world soared on Wednesday as QE 3 stimulus , China rubber import data and dry weather conditions in Indonesia put upward pressure on prices. China's natural rubber imports surged by 13.7% year-on-year to 1.37 million tons in 2012 upto August despite the reported slowdown in the economy. The benchmark February delivery futures at TOCOM rose to a high of 246 Yen per kg as Indonesia output is set to fall 10% this year to 2.8 mn tonnes due to dry weather conditions. Firmness in crude oil prices also supported rubber prices, analysts said. WTI Crude oil rose to \$97.6 per barrel while Brent Crude rose to \$116 levels on QE 3 expectatons even as OPEC said there is no justification for recent rally in Oil. Analysts said heavy rains in the past few weeks might have hampered production in the south Indian state of Kerala that accounts for 90% of the nation's rubber production. Spot prices monitored by Rubber Board rose to 18100 on Wednesday from Rs 18000 per 100 kg on Tuesday. At National Multi Commodity Exchange of India, Rubber October futures have risen 3.32% at Rs 18340 per 100 kg while November contract rose 3.46% to 18200. On an intra day basis, support for October contract is seen at Rs 18100, 18000 levels while resistance is seen at 18400, 18500 levels, according to Comexstock, an investment advisory. According to Rubber Board, natural rubber consumption during April-August 2012 was 4,20,440 tonne with a growth of 4.9 per cent over the corresponding period in the previous year Production of natural rubber during April-August 2012 is estimated provisionally as 3,13,700 tonnes with a marginal increase of 0.8 per cent over the same period in the previous year, Thomas add