

## **INDIA MONSOON RAINS HALT RUBBER TAPPING; IMPORTS TO RISE**

There has been no rubber tapping in Kerala, India for more than two weeks because of monsoon rains, an industry official said on Thursday. "Supply is extremely tight in the domestic markets as there's been no production in the last 19 days," President of the Indian Rubber Dealers Federation George Valy said. Buyers in the world's second-largest consumer of natural rubber have been forced to look overseas for supply. Farmers aren't releasing stocks because they are waiting for prices to rise more, the official said. Stocks at the end of May were an estimated 235,000 metric tons, the India Rubber Board said last week. Rubber imports by India may rise this year to 225,000-230,000 tons, Mr. Valy said. The Association of Natural Rubber Producing Countries projects India will import 183,000 tons this year. India imported 250,300 tons of natural rubber in 2012. There has been interest from buyers in India recently but bids from Indian buyers are low because the rupee is weak, traders in Southeast Asia said. The rupee fell to a new low against the U.S. dollar on Thursday because of U.S. Federal Reserve suggestions it will soon taper bond buying. Sheet and block tire grades were at a 15 cents-50 cents a kilogram premium to comparable grades from Bangkok and Malaysia, according to prices published on the India Rubber Board website on Wednesday. Benchmark Tokyo natural rubber prices have fallen as much as 11% so far this month because of volatile equities and currency markets but have found some support from the interest from India—particularly because there is rain in the largest producer Thailand. Dow Jones