

Global Rubber plunge on higher production estimates, lower demand

KOCHI (Commodity Online): With the rise in production of natural rubber in Association of Natural Rubber Producing Countries (ANRPC) amid lower demand across the the major consuming nations especially China and India, the price of the commodity in the major exchanges(Tokyo Commodity Exchange(TOCOM) and National Multi Commodity Exchange (NMCE)) has dropped drastically. According to reports, the production in ANRPC nations is estimated to rise by 4.9% to 10.9 million tons for 2012-13 from earlier estimate of 10 million tons. While, the demand is from the major consuming nations like India, China is sluggish due to weak automobile sales on slow growth in economy. In TOCOM, the rubber for July delivery, dropped 9.37% to 215.5 yen per Kg for month month July till date(24th July). And in India's NMCE, the commodity for August plunge 5.83% to Rs 17,656 per qtl during the same period. With this drop in prices, the imports are likely to gain momentum. ANRPC accounts for 92 % of the global rubber production and the presently rise in production is from sharp increase in acreage in Thailand, Indonesia and Vietnam. In TOCOM, rubber for December delivery traded at 228 yen per Kg and in NMCE, the commodity for August delivery traded at Rs 17660 per qtl on 25th July at 11:15 IST.