A Daily report on Natural Rubber

MARKET COMMENTARY⊳ A mixed trend is being witnessed in the local natural rubbermarket. While latex (drc 60%) prices continue to rise, RSS4 tradedrather flat. Quotes for the grade steadied near Rs.175.00 a kg in thephysical market and on NMCE, it remained trapped in narrow rangesawaiting fresh cues for further directional moves. Restricted arrivalsto the market buoyed prices however demand was muted cappinggains.⊳ Natural rubber prices are bound south in the overseas market. OnTuesday, November rubber futures on TOCOM slumped more thanthree per cent on fears over demand from the top consumer China.SHFE as well as AFET rubber futures followed the suit too. Worriesover cash crunch in China and rolling back of the US Fed's assetpurchase program affected the overall market sentiments. Market news⊳ TOCOM June rubber futures expired yesterday with 471 lots beingdelivered compared to 395 lots delivered in the previous month.⊳ Natural rubber inventories in the warehouses monitored by SHFErose by 48 tonnes to 114556 tonnes last week.⊳ According to Thai deputy commerce minister, seven state agenciesand private firms will jointly set up a rubber futures fund with aninitial investment of Bt210 million to buy at least 42 billion tonnes ofthe agricultural commodity in July.⊳ According to Rubber Trade Association of Japan, crude rubberinventories in the Japanese ports as of June 10 fell to 13209 tonnes,down 1035 tonnes over a period of ten days to its lowest level sinceMarch 10.⊳ Natural rubber production in India rose 1.7 per cent to 59000tonnes in May while consumption dropped 3.1 per cent to 83000tonnes. Imports slumped 17 per cent to 17334 tonnes.⊳ Natural rubber imports by China fell to 180000 in May comparedto 227320 tonnes imported the previous month.⊳ According to China Association of Automobile Manufacturers,wholesale deliveries of cars, multipurpose and sport utility vehiclesincreased 9 percent to 1.4 million units in May compared to 13 percent growth achieved during the previous month.