

Rubber prices to improve from now upto Q1, 2013

BANGKOK : Rubber prices continue to be impacted by Eurozone crisis, slowdown in emerging markets of India and China reducing automobile and tyre industry sales. However, global natural rubber prices may gain from now until first quarter of 2013 on increased demand from tyres and gloves industry and proposed cutback in exports by 30,000 tonnes by Thailand, Indonesia and Malaysia with effect from October 1, 2012, according to Yium Tavarolit in an analysis in the website of International Rubber Consortium Ltd (www.irco.biz).

Rubber market sentiments have dampened on postponement of another 15 billion baht spending to support prices by Thai government last week. Technical charts indicate revival in rubber prices by the end of last week on positive signals with respect to stimulus measures from US Fed Reserve.

Rubber futures are in oversold position compared to other soft commodities, many commodity future indices have climbed from the bottom since mid-June 2012 and they remain on an uptrend at present, Yium Tavarolit notes in his analysis.

Rainy season in Southern Thailand in September, proposed cutbacks in export, stimulus measures in China, USA, India, Japan and Eurozone could help rubber to rebound in the coming months.