

OUTLOOK-India rubber to extend losses on rising supply

MUMBAI, Oct 8 (Reuters) – Natural rubber futures in India are expected to extend losses this week on rising supplies, a drop in the overseas markets and weak demand as tyre makers raise imports.

The key November rubber contract was 2.1 percent lower at 18,230 rupees per 100 kg on the National Multi Commodity Exchange at 1055 GMT.

The spot price of the most-traded RSS-4 rubber (ribbed, smoked sheet) in the Kottayam market in Kerala fell by 250 rupees to 19,100 rupees per 100 kg.

“Tapping has picked up in Kerala. Rainfall has stopped. Weather is favourable for tapping,” said George Valy, president of the Indian Rubber Dealers Federation.

Rubber production in India peaks during Oct-Jan and starts falling from February.

Prices are also under pressure due to lower buying from tyre makers, who have been raising imports to trim dependency over costlier local rubber, dealers said.

India’s rubber imports jumped 21.2 percent to 95,047 tonnes in April-August from a year earlier.

The country imports natural rubber from Thailand, Indonesia, Malaysia and Vietnam.

In Thailand, Malaysia and Indonesia spot rubber prices eased on Monday.

India’s natural rubber production in August edged up 2.5 percent on year to 73,000 tonnes, the state-run Rubber Board said last month.

The world’s fourth-biggest producer is likely to produce 942,000 tonnes of natural rubber in the current year, up from 899,400 tonnes a year ago. (Reporting by Rajendra Jadhav; Editing by Anand Basu)

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