Rubber skids on low Chinese demand

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Asian rubber futures ended mostly lower Wednesday on the back of sluggish demand in the physical market and taking leads from crude oil.

The bellwether Tokyo Commodity Exchange is closed until Thursday for public holidays. Overall sentiment continues to be weak in remaining Asian futures markets as well as in physical trading.

The benchmark September rubber contract on the Shanghai Futures exchange settled 1.6 per cent lower at ¥31,300/tonne.

In the absence of leads from Tocom, rubber is mostly tracking outside markets, such as crude oil and equities, said Mr Avtar Sandu, the manager for Asian commodities at Phillip Futures in Singapore.

Light, sweet crude for June delivery on the New York Mercantile Exchange was trading 9 cents lower at $110.96 a barrel at 0930 GMT after falling 2.2 per cent overnight.

Nymex crude needs to rise above $112 to give a fresh upward push to natural rubber prices, said a trader in Kuala Lumpur.

Many traders have settled their long positions and are going short, said an executive at a Bangkok-based commodities brokerage.

Benchmark December rubber futures on Agricultural Futures Exchange of Thailand ended 2.0 per cent lower at Thai Baht141.15/kg.