

Selling spree on global cues saps rubber

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Kottayam, May 12

Spot rubber prices declined on Thursday. A sharp fall in the Japanese markets and a subsequent weak closing on the National Multi Commodity Exchange (NMCE) triggered another selling spree by dealers in late trades. Buyers stayed away, partially expecting prices to seek further lows in the short term.

According to traders, sheet rubber weakened to Rs 228 (231) a kg. The grade closed weak at Rs 229 (231.50) a kg both at Kottayam and Kochi, as quoted by the Rubber Board.

In futures, the May series declined to Rs 225.95 (228.86), June to Rs 229.40 (233.85), July to Rs 232.25 (235.88), August to Rs 229.50 (233.73) and September to Rs 225.50 (227.65) per kg for RSS 4 on the NMCE.

The Tokyo rubber futures fell more than 4 per cent in early trades followed by another sell-off in commodity markets and reports on slow growth in China, the world's biggest rubber consumer. China's industrial growth eased much more than expected in April to suggest that the world's second-biggest economy is cooling, reducing the need for further aggressive monetary policy even as inflation remains high.

RSS 3 nosedived at its May futures to ¥ 396.0 (Rs 220.26) from ¥ 414.0 per kg for during the day session and then to ¥ 395.0 (Rs 219.71) in the night session on Tokyo Commodity Exchange. The grade (spot) slipped to Rs 230.050 (230.78) a kg at Bangkok.

The spot rubber rates in Rs per kg were: RSS-4: 228 (231), RSS-5: 226 (229), Ungraded: 224 (226), ISNR 20: 219 (220) and Latex 60 per cent: 136 (137.50).