

TO PROTECT AGAINST
COMMODITY PRICE RISK,
HEDGE ON MCX

MCX
METAL & ENERGY
Trade with Trust

Tweet of the Day

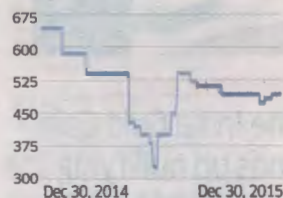


Mark Mobius
@MarkMobius

Emerging economies generally have had stronger economic growth than developed markets, a trend we see continuing.

Quarts & Ounces

Tea-Darjelling – KOLKATA
(In ₹ per 1 kg)



ET Index

COMMODITIES (2003=1000)

Bullion

DAYS INDEX	PREV DAYS	LAST WEEK
3958.2	3958.2	3978.8
%CHANGE		0.0

Cement

DAYS INDEX	PREV DAYS	LAST WEEK
1488.3	1488.3	1548.5
%CHANGE		0.0

Chemicals

DAYS INDEX	PREV DAYS	LAST WEEK
2224.7	2140.5	2098.5
%CHANGE		0.85

Edible Oil

DAYS INDEX	PREV DAYS	LAST WEEK

Rubber Had a Flat Year; '16 to be Bumpy

PRICE AT 8-YR LOW Tepid demand by tyre industry makes matters worse

Krishnakumar.PK
@timesgroup.com

EXPORTS HIT

Of the total turnover of around ₹55,000 crore of the tyre industry, about 18-20% are from exports

Kochi: Natural rubber producers and traders may be staring at a bleak 2016 after facing one of the worst years in the recent times. The prices of natural rubber have plunged to an eight-year low of about ₹100 per kg, forcing many growers to abandon tapping in Kerala, which accounts for 90% of rubber cultivation in the country.

The situation has been aggravated by the slowdown in the tyre industry, which is yet to see a pickup in demand for truck and bus tyres, its bread-and-butter product.

The tyre industry does not expect an uptick in the next few months. Just as in the year gone by, it is pinning its hopes on the opening up of the mining sector which will lead to an increase in demand.

"A whole year went by without anything big

happening in the mining and infrastructure sectors," said Rajiv Budhraj, director general of Automotive Tyre Manufacturers' Association.

He said the only redeeming feature was the increase in sales of original equipment manufacturers because of the launch of new vehicles in the passenger car segment. The tyre industry suffered a deceleration in both local and export sectors.

Of the total turnover of about ₹55,000 crore, about 20% comes from exports. "This could be easily increased by another 10-15% if the Indian government had not been restrictive in its policy," Budhraj said.

Rubber production fell 16% till November this fiscal, compared to a year ago. The tapping has not improved in December either, according to the growers. The global price of rubber, at just under ₹79 per kg, is almost ₹23 less than in India.

"In such a situation, it is difficult for Indian rubber prices to go up. At the present global prices, the tyre industry can import rubber at rates cheaper than the Indian prices. The price levels are not going to change much in 2016 because of the conditions in the world market," said George Vally, president of Indian Rubber Dealers Federation.

Imports slowed down slightly in the past few months as many tyre companies slashed production. But given the slowdown in rubber production and cheaper rates, imports are likely to go up in the coming months.

ANIMISHA