

High output estimates may halt NR price rise

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The current outlook of the global natural rubber (NR) market is bearish. The global price is currently in a narrow range, with occasional dips in various markets, including Bangkok and Tokyo. The Bangkok market today quoted a slightly higher price of ₹202 a kg, while the local market quoted ₹191 a kg for the RSS-4 variety of NR.

It is expected that global supply would not be hampered this year, as production is estimated to be higher. According to the estimates of the Association of Natural Rubber Producing Countries (ANRPC), total NR output this year will be 10.5 million tonnes (mt), as against 10.3 mt last year. According to experts, production would be high in the coming years as the tapping area is on the rise in Thailand and Indonesia. So, supply might not be hampered for this year, while sluggish demand may continue thanks to economic uncertainties.

There are confusing reports on offtake by China, the largest

consumer. Some experts feel China will not be as aggressive as it was in the past couple of years. According to ANRPC, import by various countries may fall 4.8 per cent during January-March. This may push prices to move in a narrow range. A sharp upward movement in international prices cannot be expected this year. China showed more interest in Thai rubber during the past week, as prices had come down to a new low. Tapping of trees will be active by the commencement of monsoon in most producing countries, followed by the main production season in October-December.

Production up

NR production rose 4.2 per cent during the 11-month period commencing April 2011, while consumption increased at a slower pace of 1.5 per cent. According to the latest data by the Rubber Board, production increased to 841,500 tonnes, as against 807,550 tonnes in the same period of the last financial year. Consumption increased to 880,920 tonnes, as against 867,705 tonnes.