

## Stronger dollar overwhelming the last straw of the natural rubber

Opening the limit, this time the protagonist from gold, silver replaced with natural rubber and copper. The early trading natural rubber significantly Tiaokongdikai the subsequent lower limit. Shanghai rubber main contract of 18,575 yuan / ton limit price hit a record low stage. "Not been a big change in the rubber downstream demand, supply continues to increase, the high inventory market under pressure, any bad news in the external market incentives are likely to become rubber continued to fall." In the analyst's view, the natural rubber have been "terminally ill", while a stronger dollar bearish for commodities, has become overwhelming natural rubber last straw. "Since 2012, the price of natural rubber into a relatively stable oscillation phase, fluctuations in 21000-30000 yuan / ton price area. Main contract on Monday fell below 21,000 yuan / ton, the loss of support, yesterday's slump also not hard to understand. "Insiders said that, in natural rubber prices fell below 21,000 yuan / ton, he began to worry about the stock market when the financial crisis in 2008 may have to be staged," It now appears this is not unfounded. Reporter learned from the market, the entire rubber industry chain is still in the doldrums, despite the production season, companies engaged in the production of tires can get some profit, but the tire manufacturer has a large inventory of finished products, and therefore there is not much raw material needs. "Lack of demand, the rubber stock is climbing, has become the heaviest a mountain in the industrial chain." Chen said Zhang column, Qingdao Free Trade Zone rubber inventory record highs, has reached 36 million tons of giant, natural rubber accounted for nearly 21 million tons. Now we have some of the rubber producing areas into the open cut of supply will continue to increase as the rubber is cut open one after another, hard to be eased short-term pressure on the stock. Since February this year, natural rubber prices plummeting more than two months cumulative decline reached 31.3%, while the market is still optimistic about the future demand for natural rubber and destocking, analysts believe that natural rubber prices have continued to fall possible. Market downturn, prices plummeted, traders bear the brunt of natural rubber. "The rubber higher price, now only large heap in the warehouse, but also bear the high warehouse rental, financing costs, these traders life is very tough." Insiders said that, if the company ahead of risk control, loss will be significantly reduced. "Fortunately, we pause before purchasing, empty the inventory, or this will certainly have to lose everything they lose." Rubber traders, Mr. Sun, a lingering fear. "As early as February of this year, we prompt the customer the price of natural rubber downside risk exists when traders sell hedging. Customers just entering the futures market, the lack of experience without hedging operations, "we suspend procurement destocking recommendations. Chen Zhang column that control risk not only to hedge a way to give reasonable business advice and guidance to help them effectively avoid risks. "In the next period of time, natural rubber vulnerable hard to change, as well as the possibility of further decline."

Insiders said that qualified enterprises can hedge, while the downstream tire manufacturers is a good idea to implement on-demand procurement strategy.CRIA