

Thai rubber restrict exports push up rubber products is expected to rise

March 20, Thailand raised the one-year extension, the policy of the three major rubber producing countries to limit exports to curb the collapse of rubber prices. Thailand is the world's largest rubber producing countries, Thailand, Malaysia and Indonesia are also among the first three, the three rubber production in the three countries accounted for 70% of global output, the three countries in mid-April to discuss specific issues and inventory accumulation purchasing and storage plan. In this event driven, double the money stock (600,623), Luntai A (000589) gainers. Rubber prices fell sharply since February, to Shanghai rubber futures contract, the biggest decline in the near future to achieve 18%. Rubber prices continued to slump various natural rubber producing countries insured wishes urgently. The signal issued to extend the limit rubber exports, is intended to give the market to continue to reduce the global rubber supply is expected to raise prices. From the end of August last year announced export restrictions policy rubber market performance, rose from 2 million to 2.6 million, but did not break through the expected price of 30,000 yuan. Therefore, we believe that the short-term rubber prices may rebound, but the strength of the recovery of the actual demand is much more effect on the long-term trend. The tire industry is rubber large car market a greater impact on changes in the demand for rubber. January-February this year, total sales were completed 3,311,700 and 3,389,100, respectively, year on year growth of 14.1% and 14.7% Passenger car sales grew 17.8% and 19.5%, commercial vehicles fell 0.5% and 5%. The previous two months of data to see the trend of recovery in the automotive industry, but still needs to March data confirm our judgments tend to be optimistic. Natural rubber short-term bullish, but as the price of crude oil downstream, synthetic rubber is still no improvement, butadiene prices continue to fall, PetroChina, Sinopec butadiene listing price for two weeks in a row down is expected to rise in the price of synthetic rubber limited space. In summary, the current alternative differentiation of prices of raw materials, downstream of a turn for the better trend, but it is there are variables in a delicate situation facing the tire industry and other rubber products industry. Domestic and international New Year start car sales data is relatively optimistic countries relatively loose monetary policy support the gradual recovery of the real economy and strong at the same time the rubber stock high downstream destocking phase is still in demand has not improved markedly, downstream tire factory procurement yet heavy volume. We think that the short-term price of natural rubber rose conduction to the expectations of the tire prices may overestimate the market. Conclusion: sustainability compared to today rubber tire segment transactions, the demand has not improved in the case, the costs are transferred to the downstream price dynamics is limited. We are optimistic about the tire industry leading Fengshen shares (600,469), faster growth performance rubber products company three wrestlers (002,224). CRIA