

IRCo's WEEKLY RUBBER MARKET SNAPSHOT: 15 – 19 April 2013

Asian rubber markets settled lower last week amid an unexpected fall in China's GDP growth in the first quarter of 2013. Moreover, a sell-off on commodity markets pressured by the falls in crude oil and gold prices dampened rubber prices further. In addition, the International Monetary Fund (IMF) released its revised forecast on global economic growth rate for 2013 from 3.5% to 3.3% last week, and this also worsened market confidence and sentiment last week. In the meantime, it seemed that a stronger yen against the dollar last week might also weighed on rubber prices at certain level. IRCo's DCP fell 8.07 US cents/kg to 251.33 US cents/kg, or 3.11% from 259.40 US cents/kg on Monday. Meanwhile, Thai RSS-3 dropped 7.88 US cents/kg or 2.77% to 276.13 US cent/kg on Friday from 284.01 US cents/kg on Wednesday (Markets were closed on Monday and Tuesday in Thailand for the public holidays). Thailand STR-20 also slipped to 248.08 US cents/kg on Friday, or down 11.59 US cents/kg, or 4.46% compared with its settlement price at 259.67 US cents/kg on Wednesday. In the meantime, Malaysia SMR20 as well as Indonesia SIR20 also experienced losses during the week. Indonesia SIR20 fell to 238.00 US cents/kg on Friday or down 5.00 US cents/kg or 2.06% from its settlement price at 243.00 US cents/kg on Monday. Similarly, Malaysia SMR20 also settled lower at 246.00 US cents/kg on Friday, or down 7.00 US cents/kg or 2.77% compared with its settlement price on Monday at 253.00 US cents/kg. The benchmark rubber contract for September delivery on TOCOM settled 5.80 US yen/kg or 2.24% lower at 253.00 yen/kg on Friday compared with its settlement price at 259.00 yen/kg on Monday. In addition, the Shanghai Futures Commodity Exchange for September delivery also finished the week at 1,530.00 Yuan/ton, or 7.44%, lower at 19,030.00 Yuan/ton compared with its settlement price at 20,560.00 Yuan/ton on Monday. Moreover, AFET RSS-3 for November delivery lost 0.75 THB/kg or 0.99% to 75.50 THB/kg on Friday from its settlement price at 76.25 THB/kg on Wednesday. NR supply in the coming week is expected to remain tight as the dry wintering season in southern Thailand, the Northern Hemisphere of Indonesia and Malaysia are not over yet. IRCo