

IRCo's WEEKLY MARKET SNAPSHOT 10 - 14 June 2013

'Investors Lose Confidence' It is noticeable that global stocks and commodities, including rubber futures, have been in a downward trend after the U.S. Federal Reserve (Fed) on 22 May 2013 released the minutes of the Federal Open Market Committee (FOMC) held on 30 April - 1 May 2013, and Fed Chairman Ben Bernanke said the Fed might scale back its bond buying in coming months. That concerns have rattled and dampened investor confidence and caused the yen and the euro to strengthen against the greenback since then, and the continued strengthening of the yen against the greenback has depressed natural rubber (NR) prices on rubber futures, especially on bellwether Tokyo rubber futures, and other physical rubber markets across Asia. Due to the above mentioned reasons, NR prices in the region continued to zigzag in the downward trend until 14 June 2013 even though crude oil futures on New York Mercantile Exchange (Nymex) have improved since 3 June 2013, and NR supply in Thailand has not increased as expected because of scattered thunderstorms across the country. Most importantly, auto sales in the world's biggest market, China, rose 9.88% in May 2013 to 1,761,523 units as compared to the same month last year, China Association of Automobile Manufacturers reported. Likewise, auto sales in the world's second biggest market, the U.S., also rose 8.24% in May 2013 to 1,444,626 units as compared to the same month last year, according to Autodata Corp.