

## **IRCo Market Watch (1 - 5 Oct. 2012)**

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### **The Movements of Global Stocks, Finance and Energy**

Asian stock markets closed higher on Friday as risk sentiment improved on the back of positive U.S. economic data, which would be released late Friday. Japan's Nikkei Stock Average rose 0.4% higher to finish at 8,863.30. Hong Kong's Hang Seng Index rose 0.5% to 21,012.38, South Korea's Kospi edged up 0.1% to 1,995.17 and Taiwan's Taiex climbed 0.1% to 7,690.65.

The U.S. unemployment rate fell to 7.8% in September from 8.1% in August while the U.S. jobs data added 114,000 jobs during September, the Labor Department reported.

Better-than-expected numbers on U.S. jobs growth in September sent European stock markets rallying on Friday, with banks and resource firms leading major indexes higher. The Stoxx Europe 600 index gained 1% to close at 274.11. The French CAC 40 index rallied 1.6% to 3,457.04, posting a 3.1% weekly gain. The U.K.'s FTSE 100 index rose 0.7% to 5,871.02 and ended the week 2.3% higher. The German DAX 30 index gained 1.3% to 7,397.87, closing the week 2.5% higher.

U.S. stocks ended mostly lower on Friday, as enthusiasm over a surprise drop in unemployment faded and headlines sparked renewed concerns about Europe's debt problems. However, the Dow Jones Industrial Average rose 34.79 points, or 0.3%, to 13,610.15. The Standard & Poor's 500-stock index slipped 0.47 point, or 0.03%, to 1,460.93, and the tech-heavy Nasdaq Composite Index slid 13.27 points, or 0.4%, to 3,136.19.

A sharp drop in the U.S. unemployment rate in September spurred the euro to rise to a two-week high against the dollar on Friday. The euro gained 0.1% to trade at US\$1.3034, but the dollar rose to a two-week high against the yen at Y78.66. The dollar was at 0.9299 Swiss francs from CHF0.9305. The British pound was at US\$1.6137 from US\$1.6190.

The threat of gasoline-supply problems and refinery shutdowns raised new concerns about oil demand, and it led to a fall in crude oil futures on Friday. Light, sweet crude for November delivery fell US\$1.83 to US\$89.88 a barrel on the New York Mercantile Exchange. Brent crude on the ICE futures exchange closed 56 cents lower at US\$112.02 a barrel, according to Dow Jones Newswires.

### **Rubber Markets**

The beginning of a collective natural rubber (NR) cut-back by the ITRC countries, effective from 1 October, the disruption of NR supply caused by heavy rains in Thailand and Malaysia and the dry wintering season in Indonesia, and the extension of Thai government's domestic

NR price support plan were the major positive factors, which lent support for NR prices on both rubber futures and physical rubber markets in Asia to stay in an uptrend during the week despite some profit-taking.

Moreover, the above mentioned rubber markets were also supported by the information on the highest growth of the U.S. manufacturing sector in September since May and by the highest annual growth rate of U.S. car sales at 14.94 million in September since March 2008.

The significant rises in NR prices across the board on Friday, compared with an earlier Friday, could be confirmed by the figures in the table below despite a sharp drop in trading volume on the day sessions on Tokyo rubber futures on Friday compared with an earlier Friday.

IRCo's technical MACD pushed IRCo's Signal Line higher in positive territory on Friday whereas IRCo's RSI retreated slightly and stayed at 73.22% on Friday due mainly to some profit-taking on Tuesday and Friday on Tokyo rubber futures. Nonetheless, technical charts still suggest that NR prices on both rubber futures and physical rubber markets in Asia will remain in an uptrend in the coming week.

We would like readers to keep a close eye on Tropical Cyclone "GAEMI" and a southwest monsoon that prevails over the Andaman Sea as they might bring torrential rain and isolated heavy rain to most parts of Thailand in the coming week.

Furthermore, movement of unstable global stocks, the Japanese yen against the U.S. dollar, and crude oil futures in the coming week should be the main variables that market players will play with in order to take some profits along an uptrend.