

## **Rubber deposit may continue to fall on May**

Inventory of raw materials rose faster than the finished products in the normal conversion of raw materials to finished goods inventory process, coincides with the Chinese New Year holidays, a business started a systematic decline, after the Spring Festival, steel, coke, rubber, copper, PTA and polyester inventory at high . Inventory replenishment is expected to push the price of raw materials rose to a higher position, superimposed on the Spring Festival holiday downtime, corporate purchasing will decrease, and at the same time, the price difference is widening, so that part of the traders and manufacturers of raw materials through the hedge to take profits, control risk . Macroeconomic factors and the industry itself factors superimposed, commodity prices eventually led to the rapid, drastic decline. In this context, the rubber itself is an oversupply in the second year of the Year, and the spot high inventories lead to decline in rubber prices is also ahead of other varieties. From February 18 to April 11, Qingdao Free Trade Zone, Thailand 20 standard rubber prices from 3150 U.S. dollars / ton fell to 2650 U.S. dollars / ton; Shanghai latex fell to 21,500 yuan / ton from 25,900 yuan / ton; butadiene from 15,500 yuan / ton fell to 11,000 yuan / ton; the butylbenzene 1502 and butadiene from 17,500 yuan / ton, 17,850 yuan / ton fell to 14,000 yuan / ton, 14,500 yuan / ton. Qingdao Free Trade Zone inventories rise from 327,900 tons to 358,600 tons. Annual range, the dollar-denominated assets relative to Europe, Japan and emerging economies, there is a greater investment value. The information revealed in the minutes of the Fed meeting, the Fed may exit QE from the U.S. 10-year bond yields and the benchmark interest rate difference, the probability is very large, and thus suppress commodity markets. Domestic, excess capacity has reached 30% of the dangerous border high rate of corporate debt leverage will suppress the overall economic slow down, and the supply of various bulk commodities is planned in accordance with the rapid growth of China's economy, China's economic structure adjustment, making commodity supply and demand greater pressure. After a crash, the the downstream tire companies operating rate has returned to normal, and the tire dealer tire sales expected, will boost tire companies will purchase, but the high inventory of Qingdao Free Trade Zone suppress the tire business for higher procurement prices recognition. In addition, the whole industry chain funds in good condition, relative to the current decline, continue down time or space poised. From the annual supply of rubber in 2013 is the second year of the production cycle, the surplus for the year as a whole will become more apparent, and the 1309 contract is the peak season for production supply, the two points do not support rubber substantial rebound. Therefore, we believe that the short-term rubber between 21000 to 23000 yuan / ton weak order, may continue to fall in May. CRIA