

IRCo – Market Watch: 12 – 16 December 2011

By Yium Tavarolit The Movements of Global Stocks, Finance and Energy Asian stocks finished mostly higher on Friday on the back of strong U.S. economic data despite trading was weighed down by the lingering euro zone debt crisis. China's Shanghai Composite snapped out of a six-day losing streak to climb 2.0% to 2,224.84 while Hong Kong's Hang Seng Index gained 1.4% to 18,285.39. Japan's Nikkei Stock Average ended 0.3% higher at 8,401.72, Australia's S&P/ASX 200 index climbed 0.5% to 4,159.20, South Korea's Kospi added 1.2% to 1,839.96, and Taiwan's Taix climbed 0.3% to 6,785.09. A successful Spanish bond auction, upbeat weekly U.S. jobless claims data lent support for European stocks to settle higher on Friday. The Stoxx Europe 600 index gained 1% to 234.73. The German DAX 30 index rose 1% to 5,730.62. The French CAC 40 index rose 0.8% to 2,998.73. The gains helped boost the U.K.'s FTSE 100 index to close up 0.6% at 5,400.85.

U.S. stocks ended mixed on Friday as investors were still concerned about European debt crisis. The Dow Jones Industrial Average dropped 2.42 points, or 0.02%, to 11,866.39. The Standard & Poor's 500-stock index tacked on 3.89 points, or 0.32%, to 1,219.65. The technology-heavy Nasdaq Composite rose 14.32 points, or 0.56%, to 2,555.33. Data showed U.S. consumer prices were unchanged in November as a drop in energy costs offset a slight rise in food prices and other items. On Friday in Europe, the euro has been weighed down by a heightened state of alert after Fitch Ratings put six of the 17 nation currency bloc's countries on negative watch and lowered its outlook on France's triple – A rating to "negative" from "stable." Late Friday, the euro was at US\$1.3045 from US\$1.3016 late Thursday, according to EBS via CQG. The dollar was at Y77.78 from Y77.86, while the euro was at Y101.50 from Y101.35. The dollar was at CHF0.9354 from CHF0.9410. Growing worries about slowing oil demand, especially in the U.S., weighed on crude oil futures on Friday and led light, sweet crude for January delivery to settle 34 cents, or 0.4%, lower to US\$93.53 a barrel on the New York Mercantile Exchange. Brent crude on ICE Futures Europe recently traded up 36 cents, or 0.3%, to US\$103.96 a barrel, according to Dow Jones Newswires. Rubber Markets Bearish technical sentiment and concerns about European debt woes still weighed on rubber futures and physical markets in Asia throughout the week despite supply in Thailand and Indonesia in particular remained steady. These caused rubber prices on Friday to stay lower than an earlier Friday as shown in the table below.

Friday as shown in the table below.	Description	16-Dec-11	9-Dec-11	Change	Unit	IRCo's DCP	335.84	345.21	-9.37	US cents/kg
TOCOM/RSS3 *	- Dec.	253.4	260.3	-6.9	Yen/kg	- May	270.7	280.9	-10.2	Yen/kg
	- Volume	5,265	8,919	-3,654	Lots	SHFE/RSS3 **				
24,725	26,225	-1,500	Yuan/ton	AFET/RSS3	- Jan.	104	104	-	THB/kg	- Jul.
						112.5	112	0.5	THB/kg	- Volume
						533	622	-89	Lots	SMR20
*** 340	348	-8	US cents/kg	SIR20 ***	338	348	-10	US cents/kg	RRIT	0
						105.5	108.9	-3.4	THB/kg	0
						104.45	106.45	-2	THB/kg	0
						89.05				
90.4	-1.35	THB/kg	- Conc.	Latex	70.3	70.3	-	THB/kg	- Field	Latex
						86.5	90	-3.5	THB/kg	Source: IRCo
										Notes: *
										The day sessions
										** The
										most active month is May 2012
										*** Offers, fob prices for Feb. & Mar. deliveries
										IRCo's technical MACD and Signal Line remained in

negative territory on Friday while its RSI fell from 68.90% on an earlier Friday to 60.42% on Friday as external cues still weighed on rubber market sentiment and investor confidence. The latest downgrade of France's credit rating by Fitch Rating will take precedence over rubber market fundamentals that give more chances to rubber prices to stay on a downtrend in the coming week. However, we can't ignore heavy rainfall in Southern Thailand, wet weather in North Sumatra and dry weather in South Sumatra.