

## **IRCo – Rubber Market Watch: 17 – 21 December 2012**

By Yium Tavarolit

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

The unsettled U.S. fiscal cliff still weighed on Asian stock markets on Friday. Japan's Nikkei Stock Average dropped 1% to 9,940.06 while the Shanghai Composite Index retreated 0.7% to 2,153.31. Elsewhere in the region, Hong Kong's Hang Seng Index fell 0.7% to 22,506.29, South Korea's Kospi Composite lost 1% to 1,980.42, Taiwan's TaieX dropped 1% to 7,519.93, Australia's S&P/ASX 200 Index declined 0.2% to 4,623.60.

Likewise, European stock markets were weighed down by the unsettled U.S. fiscal cliff as well on Friday, led by banks and resources shares. The Stoxx Europe 600 Index fell 0.3% to close at 280.95 while the French CAC 40 Index fell 0.2% to 3,661.40. London's FTSE 100 Index lost 0.3% to 5,939.99, and the German DAX 30 Index edged 0.5% lower at 7,636.23.

U.S. stocks faced its first triple-digit point loss in more than a month. The Dow Jones Industrial Average dropped 120.88 points, or 0.9%, to 13,190.84, led lower by Bank of America and Exxon Mobil. The Standard & Poor's 500-stock index fell 13.54 points, or 0.9%, to 1,430.15. Energy shares led all 10 S&P 500 sectors lower, with half of the 10 down by at least 1%. And the Nasdaq Composite Index lost 29.38 points, or 1%, to 3,021.01.

In the forex market, Investors bought the dollar and the yen on Friday as they feared that lawmakers would be unable to avoid the U.S. fiscal cliff. The yen was traded at around ¥84.21 per dollar. The single currency was traded at around US\$1.3191 per euro. And the dollar was at CHF0.9150, according to EBS via CQG.

U.S. crude-oil futures retreated on Friday in a broad selloff across asset classes on worries that talks aimed at avoiding the so-called fiscal cliff had reached an impasse. Light, sweet crude-oil futures for February delivery on the New York Mercantile Exchange settled 1.6%, or US\$1.47, lower at US\$88.66 a barrel. ICE February North Sea Brent crude oil settled down US\$1.23, at US\$108.97 a barrel, according to Dow Jones Newswires.

### **Rubber Market**

Tokyo rubber futures moved upwards during the week mainly supported by a weaker yen whereas Shanghai rubber futures were rangebound mainly caused by weak Chinese stocks and commodities. In the meantime, physical rubber markets in Asia mostly tracked Tokyo rubber futures throughout the week. These led IRCo's DCP and natural rubber (NR) prices in the region to end higher on Friday compared with an

earlier Friday.

IRCo's technical MACD still pulled up its Signal Line further in positive territory on Friday, but its RSI stayed rangebound at around 73.88% compared with at 74.08% on an earlier Friday. It is expected that market players will hold long positions rather than short positions in the coming week, and both rubber futures and physical markets in the region should be subdued as investors are in a holiday mood.