

IRCo's WEEKLY RUBBER MARKET SNAPSHOT: 25 – 29 March 2013

Asian rubber markets settled lower last week amid worries about unsettled Eurozone economic problems. Meanwhile, the rising rubber inventories in Japan and China still weighed on natural rubber prices during the week as well as a strengthening of the yen against the dollar that dampened rubber prices further.

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IRCo's DCP fell 7.03 US cents/kg to 277.56 US cents/kg on Thursday (Friday was public holiday in Indonesia and Malaysia), or 2.47% lower than its DCP at 284.59 US cents/kg on Monday. Meanwhile, Thai RSS-3 dropped to 292.83 US cent/kg on Friday from 296.48 US cents/kg on Monday or lost 3.65 US cents/kg or 1.23%. Thailand STR-20 also slipped to 272.87 US cents/kg on Friday, or down 5.67 US cents/kg, or 2.04% compared with its settlement price at 278.54 US cents/kg on Monday. In the meantime, Malaysia SMR20 as well as Indonesia SIR20 also experienced losses during the week. Indonesia SIR20 fell to 270.00 US cents/kg on Thursday, or 7.00 US cents/kg or 2.53% from its settlement price at 277.00 US cents/kg on Monday. Similarly, Malaysia SMR20 also settled at 278.00 US cents/kg on Thursday or 7.00 US cents/kg or 2.46% lower than its settlement price on Monday at 285.00 US cents/kg. The benchmark rubber contract for September delivery on TOCOM settled at 274.00 yen/kg on Friday, 5.40 US yen/kg or 1.93% lower than its settlement price at 279.40 yen/kg on Monday. In addition, the Shanghai Futures Commodity Exchange for September delivery also finished the week at 22,025.00 Yuan/ton, or 950.00 Yuan/ton or 4.13% lower than its settlement price at 22,975.00 Yuan/ton on Monday. Moreover, AFET RSS-3 for November delivery was also down to 86.45 THB/kg on Friday, or lost 0.85 THB/kg or 0.97% compared with its settlement price at 87.30 THB/kg on Monday.

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NR supply in the coming week is expected to be tighter than an earlier week as lots of rubber plantations in southern Indonesia are expected to experience inclement weather. Meanwhile, rubber plantations in southern Thailand and the Northern Hemisphere of Indonesia and Malaysia are in full swing of the dry wintering season that could lead to significant reduction in rubber production in the coming weeks.

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