

## **IRCo's WEEKLY RUBBER MARKET SNAPSHOT: 21 – 25 January, 2013**

Asian rubber markets were in stalemate that caused NR prices to move in a narrow range and to settle mixed last week. Moreover, most Chinese buyers were on the sidelines in the wake of swollen rubber inventories in the country and ahead of the coming Lunar New year break early next month that additionally weighed on rubber prices further in the region. Nonetheless, NR supply tightness in rubber producing countries could lend some support for NR prices in the region to some extent.

The DCP stayed at 315.08 US cents/kg on Friday, or 1.12 US cents/kg (0.35%) lower than its initial price at 316.20 US cents/kg on Monday. Similarly, Thai RSS-3 also dropped to 327.93 US cent/kg on Friday from 332.72 US cents/kg on Monday, or lost 4.79 US cents/kg (1.44% lower) during the week. Meanwhile, Thailand STR-20 also dropped to 304.85 US cents/kg on Friday, or down 1.98 US cents/kg, or 0.65% from its settlement price at 306.83 US cents/kg on Monday. In the meantime, Indonesia SIR20 stayed unchanged at 302.00 US cents/kg at the end of the week. On the contrary, Malaysia SMR20 settled at 315.00 US cents/kg on Friday, 3.00 US cents/kg (0.96%) higher than its settlement price at 312.00 US cents/kg on Monday.

The benchmark rubber contract for June delivery on TOCOM settled unchanged from Monday at 311.60 yen/kg on Friday. At the same time, the Shanghai Futures Commodity Exchange for May delivery slid a bit to 25,705.00 Yuan/ton, or 75.00 Yuan/ton (0.29%) lower than its settlement price at 25,780.00 Yuan/ton on Monday. In addition, AFET RSS-3 for August delivery also settled lower at 103.50 THB/kg on Friday, or lost 1.45 THB/kg (1.38% lower) compared with its initial price at 104.95 THB/kg on Monday.

NR supply is expected to remain tight in the coming week as main rubber production regions in Indonesia are still disrupted by the rainy season, whereas rubber trees in southern Thailand and northern Malaysia have partly shed their leaves as the dry wintering season has come.