

IRCo Market Watch (17 - 21 Sep. 2012)

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The Movements of Global Stocks, Finance and Energy
Asian stock markets climbed on Friday, as recent central bank moves continued to help sentiment. Japan's Nikkei Stock Average was 0.3% higher to 9,110.00. The Shanghai Composite index managed to add 0.1% to 2,026.69. The Hang Seng index gained 0.7% to 20,725.21. Australia's S&P/ASX 200 added 0.3% to 4,408.30. European stock markets moved higher on Friday, boosted by banks and drug makers, amid speculation Spain may be setting the stage for a bailout request. The Stoxx Europe 600 index added 0.5% to close at 275.78. The FTSE 100 index closed slightly lower at 5,852.62. The German DAX 30 index closed up 0.8% at 7,451.62. The French CAC 40 index added 0.6% to 3,530.72. Wall Street edged lower on Friday, with the Dow suffering its first weekly loss in three weeks after a late-afternoon selloff. The Dow Jones Industrial Average slipped 17.46 points, or 0.1%, to 13,579.47. The Standard & Poor's 500-stock index dipped 0.11 point, or less than 0.1%, to 1,460.15. But the Nasdaq Composite Index rose 4 points, or 0.1%, to 3,179.96. The euro rose modestly against the dollar on Friday, buoyed by reports that European officials may draft a rescue plan for Spain as soon as next week. The euro last traded at US\$1.2978, up from US\$1.2969 late Thursday, but the dollar fell against the yen to Y78.16 from Y78.23.

U.S. crude-oil futures settled higher on Friday, rebounding from four straight losing sessions as the dollar weakened against the euro and broader markets rose. Light, sweet crude oil for November delivery rose 47 cents, or 0.5%, to settle at US\$92.89 a barrel on the New York Mercantile Exchange. Brent crude oil on the ICE futures exchange for November delivery rose US\$1.50 to US\$111.53 a barrel, according to Dow Jones Newswires. Rubber Markets Rubber futures and physical rubber markets in Asia were supported by improvement in investor confidence, an approval of THB30 billion by the Thai government on Tuesday to boost NR prices in the country, and persistent rain in major natural rubber (NR) production provinces in southern Thailand during the week even though crude oil futures fell, and the Japanese yen strengthened against the dollar. These resulted in further rises of NR prices across the board on Friday compared with an earlier Friday. Please note that IRCo's technical MACD continued to push up IRCo's Signal Line in positive territory on Friday, compared with an earlier Friday. At the same time, IRCo's RSI also continued rising from 81.71% on an earlier Friday to 89.77% on Friday. If we combine the currently firm rubber market fundamentals with IRCo's technical charts on Friday, it is expected that long positions on rubber futures will remain in the coming week despite some profit-taking.

Nonetheless, a territorial dispute between China and Japan might dampen investor confidence in the near future if leaders of the two countries don't try to compromise.