

NATURAL RUBBER

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Where are the prices for natural rubber still going to?

The price rise presently seems to be boundless. The "appetite" for natural rubber from China, Japan and other Asian countries including the big tyre manufacturers is enormous. Principally there are enquiries for nearby shipments, also because buyers in the rising market have waited very long. Even from the USA and Europe enquiry boosts should be considered to avoid a possible bottle-neck situation.

The enormous price rise has, especially in the past 1 to 2 weeks, developed a dynamic that has seldom been there. What lands in the market is immediately absorbed by consumers. In south Thailand, the biggest natural rubber producing part of the world as well as in North Malaysia, very little tapping can be done due to the heavy and continuous rainfalls. In some parts heavy floods have been reported.

Currently, the **Chinese** government has decided to increase the import quotas for natural rubber by further 200.000 mt valid till end of the year ie. from formerly 850.000 to now 1.050.000 mt . These import quotas are being given in order to cover the high local consumption.

Even institutional investors who have waited in vain the past years in hopes of a recovery of the stock market have meanwhile rediscovered the raw material markets to be a profitable investment and are definitely contributing their part to the present bullish market.

The rise in figures:

SICOM in USC/kg FOB:

RSS 3 J/M shipm. 20.10 – 23.10.2003 + 6,4 %
RSS 3 J/M shipm. 01.07 – 23.10.2003 + 56,9 %

TSR 20 J/M shipm. 20.10 – 23.10.2003 + 7,7 %
TSR 20 J/M shipm. 01.07 – 23.10.2003 + 65,3 %

Physicals in EUR-C/kg FOB:

RSS 3 20.10 – 23.10.2003 + 7,1 %
RSS 3 01.07 – 23.10.2003 + 56,1 %

SIR 20 20.10 – 23.10.2003 + 5,9 %
SIR 20 01.07 – 23.10.2003 + 64,1 %



WEBER & SCHAEFER

GmbH & Co.

NR Imports of China (as per 21/10/2003):

	<u>SEPTEMBER</u>	<u>JAN-SEP</u>	<u>JAN-SEP y/y in %</u>
TOTAL	118.299 mt	890.774 mt	+ 41,4
from Thailand	58.422 mt	551.755 mt	+ 42,1
from Malaysia	21.159 mt	155.781 mt	+ 36,9
from Indonesien	28.165 mt	86.744 mt	+ 120,2
from Vietnam	6.461 mt	57.019 mt	- 10,1