

Market Report week 38/2018

Development of futures quotations at the main trading places for natural rubber week 38/2018:

Exchange	QUALITY	PRICE	MO.	TU.	WE.	TH.	FR.	Change
TOCOM	RSS 3	YEN/kg	Closed	166,10	165,90	169,60	168,90	+1,69 %
SGX	RSS 3	USC/kg	143,90	143,70	143,60	144,20	141,80	-1,46 %
SGX	TSR 20	USC/kg	132,30	132,90	132,10	133,30	133,30	+0,76 %
MRE	SMR CV	USC/kg	Closed	175,05	174,80	174,75	175,05	+/- 0%
MRE	SMR 20	USC/kg	Closed	133,45	133,75	134,05	134,05	+0,45%

(TOCOM RSS 3: 6th month closing, SGX RSS 3 & TSR 20: 1st pos. settlement, MRE SMR CV & SMR 20: closing quotation)

EUR/USD Fix		1,1662	1,1685	1,1681	1,1717	1,1770	
USD/JPY Fix		112,0310	112,1140	112,3450	112,2090	112,7260	
Oil/BRT	USD/Barrel	78,52	79,09	78,84	79,72	79,51	

The broad sentiment in the natural rubber market remained muted in the month of August due to a number of factors, including high levels of inventory in China.

In its monthly update issued Sept. 25, the Association of Natural Rubber Producing Countries said stocks were high at the designated warehouse of the Shanghai Rubber Futures Exchange and the warehouses in Qingdao Free Trade Zone.

External factors, such as the mounting U.S.-China trade war and the sharp appreciation of the U.S. dollar, which resulted in outflow of speculative funds from Asia, also contributed to low natural rubber prices.

The world production of NR rose 1.3 percent year-over-year to 8.5 million metric tons during the first eight months of 2018, according to ANRPC.

At the same time, global consumption rose 5.5 percent year-on-year to 9.3 million tons, widening the deficit gap to 832,000 tons compared to 786,000 tons at the end of July. The mismatched growths in production and consumption helped absorb a portion of the surplus accumulated in the previous years.

NR production was hampered by heavy flooding in southern India over the months of July and August and leaf disease in some other natural rubber producing countries.

Abbreviations:

RSS3 = Ribbed Smoked Sheets 3
 TSR 20 = Technically Specified Rubber 20
 SMR = Standard Malaysian Rubber

TOCOM = Tokyo Commodity Exchange
 SGX = Singapore Exchange
 MRE = Malaysian rubber Exchange
 BRT = crude oil "BRENT"