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## NATURAL RUBBER

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In Vietnam, Thailand and Sri Lanka the Wintering has almost ended and production is slowly starting again. In Malaysia the Wintering will probably end mid May, whereas in parts of Indonesia, lying south of the Equator, it will only begin in September.

The economical development in the USA and Europe is still rather weak and there are indications that even the Peoples' Republic of China - the economy motor of Asia, after a growth of the BIP by almost 10% in the first quarter 2003, has now slackened. The effects of the virus epidemic SARS on the economical developments in China cannot be foreseen.

The local prices for NR have meanwhile clearly fallen in China and the inquiries of Chinese traders for RSS 3 from Thailand seem to have definitely lessened.

On the Singapore Commodity Exchange (SICOM), one of the most important Markets for Natural Rubber Trading, quotations especially for the tyre type RSS3 had risen by 30% since end of 2002 till mid March 2003 whereby the quotations for the other tyre type TSR 20 had risen by only 14% at the same time. The heavy increase of China's automobile production in the 2<sup>nd</sup> half of 2002 was one of the factors responsible for this development.

Since then the quotations have slumped for RSS 3 by 11% and TSR 20 by 14%. Whilst TSR 20 quotations have reached their initial level at the beginning of the year, RSS 3 seems to still have the potential for further corrections.

When rating the EURO, currency experts envisage that after the end of the Iraq war and in the environment of a weak US-economy a firmer EURO will be witnessed until the end of the year.

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