

NATURAL RUBBER

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As expected, the price level has further risen in the past weeks. Reason for this is the continuous demand from the Asian regions especially China one of the strongest growing automobile markets of the world. Recently in China, in the course of an anti-dumping measure, import duties for SBR from Russia, South Korea and Japan were pushed considerably higher (up to 46%). The argumentation is that the imports from the three countries have immensely harmed China's local industry. By way of this measure an additional thrust in the demand for natural rubber could be triggered off.

In **Japan** the consumption of rubber in the tyre industry rose to 7,2% in July and in the first seven months even to 8,3% compared to those at the same times last year.

Even in **Europe** and the **USA** business after the summer holidays has revived intensively which has led to a strong thrust for enquiries.

Meanwhile, the weather in **Thailand** has improved, but the producers are still in the act of tagging after a huge pack of pending contracts. To fulfil these, raw material, respectively SIR 20 from Indonesia, must still be bought. In addition to the general shortage strong local demand from tyre producers in Thailand are complicating matters further. Beyond it, the Thai Baht has nowadays proved to be very stable (plus 5,5% since beginning 2003) and has provided for a further rise of export prices in US\$. In comparison, the Indonesian Rupiah has hardly undergone change.



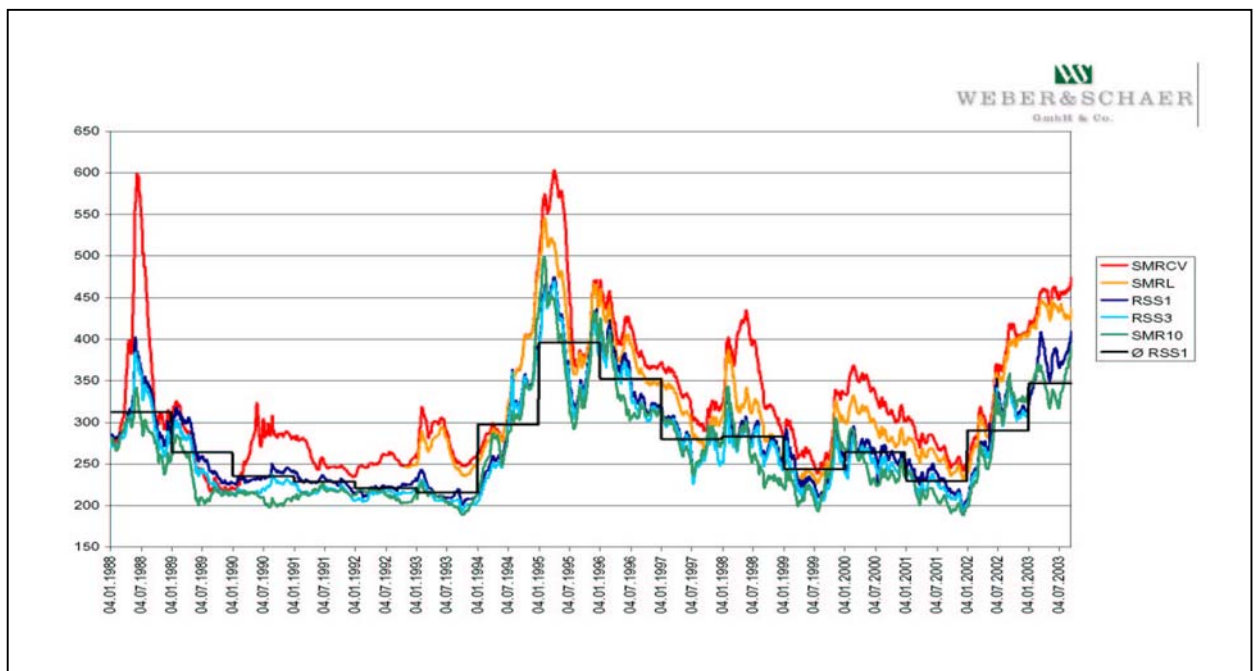
South of the Equator, which are mainly the plantations in **Indonesia**, the Wintering Season has now begun and shall continue till November. North of the Equator in comparison has to calculate with heavy rainfalls during the monsoons which will likewise influence the production.



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Outlook: Despite adverse weather conditions we are in the high production phase. However, due to the high demand we expect a further very steady to firm natural rubber market. Compared with the bull market 1994/95 (see price curve) the price development upwards has still plenty of scope.



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