

Market Report week 42/2008

Development of futures quotations at the main trading places for Natural Rubber in week 41/2008:

	Quality	Price	MON	TUE	WED	THU	FRI
TOCOM	RSS 3	Yen/kg	226,30	221,40	205,40	206,90	191,00
SICOM	RSS 3	USC/kg	230,50	229,00	214,90	208,50	192,00
SICOM	TSR 20	USC/kg	222,00	220,90	205,00	202,70	184,00
MRE	SMR CV	USC/kg	298,25	292,15	286,25	282,30	273,85
MRE	SMR 20	USC/kg	240,95	229,20	218,80	211,60	198,10
Development of EUR/USD during week 41/2008:							
USD Fix			1,3580	1,3550	1,3660	1,3675	1,3555

(TOCOM RSS 3 - 6. month closing , SICOM RSS 3 & TSR 20 – 1st pos. settlement, MRE SMR CV & SMR 20 – closing quotation)

The recent week has written history! Declines at the stock-exchanges and commodity-markets of 20 % and more, caused by the global financial crisis, as we haven't seen for decades. Well named banks and investment companies were socialized as last resource or got bankrupt like Lehmann Brothers. What is happening right now will change the world sustainably. The global finance system needs to be renovated. How the architecture of the new system will look like cannot be predicted at this stage.

The demand for rubber has weakened dramatically, following the financial crisis. Many car manufacturers are forced to reduce the production heavily, stop production or have to announce short-time work. The irruption of the demand in USA and Europe will definitely have an impact on the further demand for rubber in China. However, the chance for many buyers will be to start covering now at much reduced prices, before markets will recover.

NR- Trading department – 13.10.2008