

Market Report week 48/2008

Development of futures quotations at the main trading places for Natural Rubber in week 47/2008:

	Quality	Price	MON	TUE	WED	THU	FRI
TOCOM	RSS 3	Yen/kg	174,30	168,50	157,40	141,40	138,00
SICOM	RSS 3	USC/kg	178,50	171,00	160,00	147,00	139,00
SICOM	TSR 20	USC/kg	172,00	167,00	157,30	143,00	139,80
MRE	SMR CV	USC/kg	233,80	229,45	226,10	220,65	214,25
MRE	SMR 20	USC/kg	176,95	175,15	172,70	165,15	153,85
Development of EUR/USD during week 47/2008:							
USD Fix			1,2635	1,2625	1,2615	1,2542	1,2595

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

TOCOM and SICOM have lost another 20 % last week. The demand from the automotive-industry almost collapsed. In the USA sales declined in October by 32 %, to the lowest level in 25 years. At the same time inventories have been risen to an alarming level. Hence, in December car manufacturers as well as part-suppliers to the automotive industry will have to make a mandatory break. Production will most probably resume than around early/mid January. It is anyhow expected, that the scale of consumption of rubber will be much reduced.

According to the General Administration of Customs of November, 24th China imported in October 156.640 mt, 0,1 % less compared with the same month last year. However, during the period of January to October 2009 1,45 Mio mt were imported, 7,6 % more compared with the same period in 2008.

Rubber prices will remain under a strong pressure, as the sharp decline of demand will overcompensate the production, even if the production is not so good in some areas at the moment.

NR- Trading department – 24.11.2008