

Market Report week 38/2016

Development of futures quotations at the main trading places for natural rubber in week of December week of September, 12th:

	QUALITY	PRICE	MON	TUE	WED	THUR	FRI
TOCOM	RSS 3	YEN/kg	153,00	153,90	157,80	157,90	157,70
SGX	RSS 3	USC/kg	Holiday	158,50	160,70	160,00	159,00
SGX	TSR 20	USC/kg	Holiday	132,10	132,80	132,80	133,60
MRE	SMR CV	USC/kg	Holiday	173,35	173,50	174,25	Holiday
MRE	SMR 20	USC/kg	Holiday	131,05	133,45	133,90	Holiday

Development of EUR/USD and BRENT crude oil during week of September, 12th:

EUR/USD Fix		1,1225	1,1236	1,1224	1,1247	1,1225
USD/JPY Fix		102,0685	102,1990	102,6845	102,3640	101,8350
Oil/BRT	USD/Barrel	45,05	47,37	47,21	43,69	45,75

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

TOCOM closed last week 0,7 % lower compared with the previous week, SGX RSS 3 ended unchanged, while SGX TSR 20 increased by 1,5 %. The EURO lost 0,4 % during the week, while Brent oil dropped 7,3 % in the same period. At the beginning of the new week prices rose sharply on the backing of Shanghai's sharp increase by over 3 % compared with last Friday. Mainly shortcovering from traders caused the surprising increase. Apparently, rumours make the round that import-tax-free Mixed rubber into China might be treated like all natural rubber imports to China with 20 % import tax from beginning of next year, but nothing confirmed yet. Anyhow, it creates phantasies in the markets and Chinese buyers also started to buy heavily to build up their inventories in the bonded warehouses, as currently chinese rubber is cheaper then outside china material.

After the bankruptcy of Korean's Hanjin Shipping, the world's 7th largest shipping line, with 8 % market share in the North America Trade might effect the freight rates in the coming months significantly, as the market needs to compensate around 80 vessels's space of Hanjin's fleet. Since the beginning of 2016 rates already more then doubled in the westbound trade.

NR-department, 19.09.2016

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"