

15 January 2024

MARKET WRAP- NATURAL RUBBER



MARKET OVERVIEW-WEEKLY

FUTURES MARKET PRICES

Market	Expiry	Quotation	Open	High	Low	Close	%Chg
JAPAN-RSS3	Jun.24	JPY/kg	256.8	261.8	249.1	260.6	1.44
SHFE-RSS3	May.24	CNY/ton	13845	13850	13380	13740	-0.97
SIEE*-TSR20	Jan.24	CNY/ton	11085	11360	10930	11010	0.32
SICOM-RSS3	Feb.24	USD/100kg	163	180	163	180	1.41
SICOM-TSR20	Feb.24	USD/100kg	148.9	159.6	147.6	153	0.13
SHFE-Butadiene Rbr	May.24	USD/100kg	12600	12775	12200	12305	-2.46

SPOT MARKET PRICES

Market	Grade	Quotation	Price	%Chg
Bangkok-Thailand	RSS3	TBH/kg	65.58	1.20
Kuala Lumpur-Malaysia	SMR20	USc/kg	154	-0.19
Indonesia-Belawan	SIR20	USc/kg	194.75	0.78
Kottayam-India	RSS4	INR/100kg	15750	1.29
Kottayam-India	RSS5	INR/100kg	15350	0.66
Kottayam-India	ISNR20	INR/100kg	13750	0.36
Kottayam-India	Latex (drc60%)	INR/100kg	11465	2.83
Vietnam	SVR10	USc/kg	153	-0.97

* Shanghai International Energy Exchange

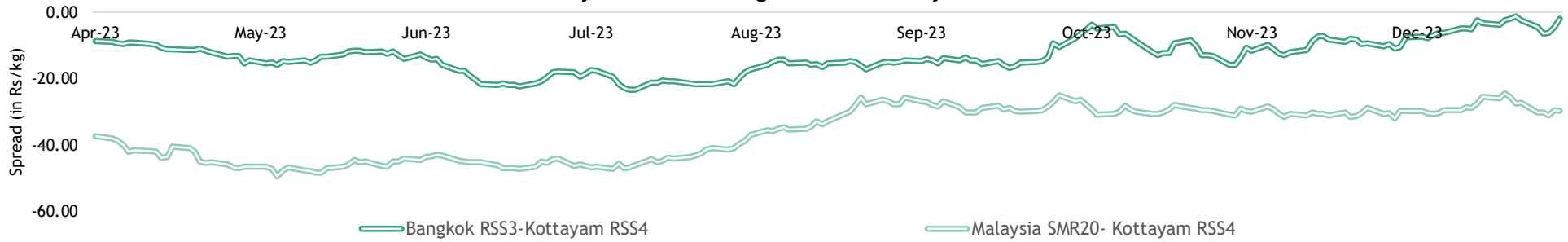
" Front month futures

INDICES/CURRENCIES/CRUDE OIL

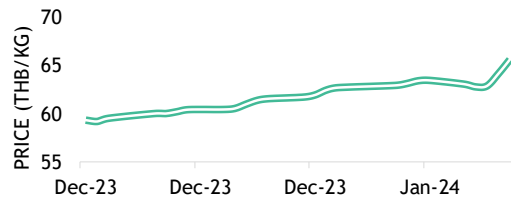
	Rate	%Chg
DJIA	37592.98	0.34
Nikkei	35577.11	6.59
MSCI Asia Pacific ex-Japan	511.79	-0.77
Sensex	72568.45	0.75
Nifty	21894.55	0.85
Baltic Dry	2110	#DIV/0!
Bloomberg Commodity Index	98.6326	-0.01
TR/CC-CRB Index	265.9119	0.79
USD-INR	82.857	-0.30
USD-JPY	144.9	0.17
USD-CNY	7.1665	0.38
USD-TBH	34.86	0.58
USD-MYR	4.645	-0.15
NYMEX -WTI "	72.68	-1.53
ICE Brent Crude Oil "	78.29	-0.60

PRICE CHARTS

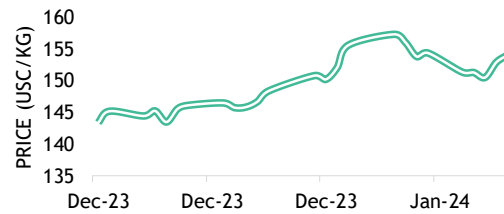
Kottayam RSS4 v/s Bangkok RSS3 & Malaysian SMR 20



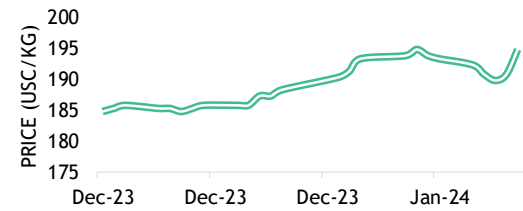
BANGKOK RSS3 SPOT



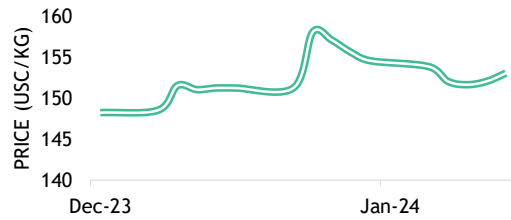
MALAYSIAN SMR 20 SPOT



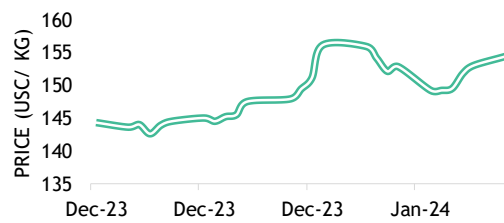
INDONESIAN SIR 20 SPOT



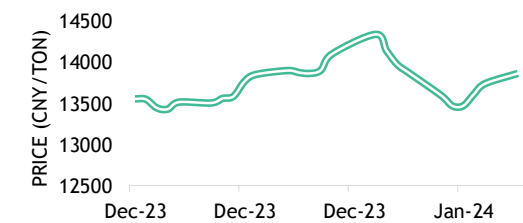
VIETNAM SVR 10 SPOT



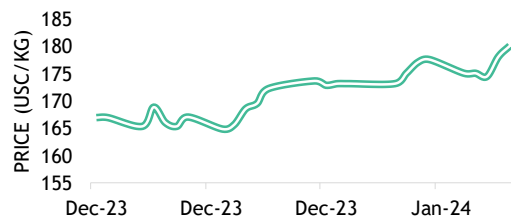
SICOM TSR20 JAN FUT



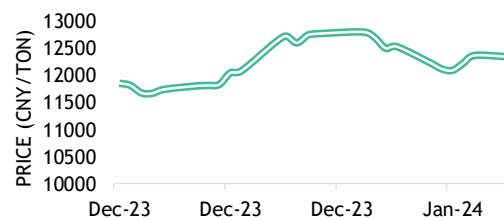
SHFE RSS3 MAY FUT



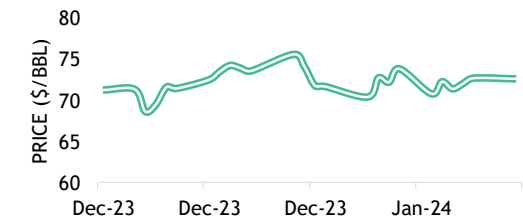
SICOM RSS3 JAN FUT



SHFE BUTADIENE RUB MAY FUT



NYMEX WTI FEB FUT



MARKET NEWS & UPDATES

*Natural rubber traded on a firmer note in the domestic as well as in the overseas market in the week gone by. Concerns over supplies from the top natural rubber producing country, Thailand due to unfavourable weather, firmer crude oil prices and rise in auto sales improved market sentiments. Also, lean production phase is set to begin.

*Japan's Osaka rubber futures posted gains for the fifth straight week in the week gone by.

* RSS4 grade rubber in the Indian market rose to its highest level in more than six months.

* As of 12 January, rubber inventories in warehouses monitored by the Shanghai Futures Exchange rose 1.8 per cent to 194377 tons from previous Friday.

*China imported 723,000 million tonnes of rubber in December, up 5.55% month-on-month, and imported 7,952,000 million tonnes of rubber in 2023, up 8% from 2022.

* Malaysia's natural rubber production decreased 6.9 percent month-on-month in November 2023 to 30,669 tons, official data showed. The Department of Statistics Malaysia (DOSM) said in a statement that year-on-year comparison showed that the production of natural rubber increased 9.3 percent. Meanwhile, exports of Malaysia's natural rubber decreased 8.9 percent month on month to 51,437 tons in November 2023. China remained as the main destination for Malaysia's natural rubber exports which accounted for 48.3 percent of total exports in November 2023. This was followed by Germany (8.9 percent), Iran (5.7 percent), the United States (4 percent) and Pakistan (2.8 percent). Malaysia's natural rubber total stocks increased 13.2 percent month on month to 172,335 tons in November 2023.

* Vietnam's rubber exports reached about 2.14 million tons worth \$2.89 billion in 2023, down 0.04% in volume and 12.7% in value compared to 2022, according to the Ministry of Industry and Trade. The lower export turnover was driven by a 12.7% year-on-year decrease in average export price to \$1,350 per ton during last year. In 2023, Vietnam's rubber exports faced many difficulties due to a sharp decrease in prices, causing export value to fall from the same period last year. Meanwhile, the restoration of production activities in China was weaker than forecast, leaving consumption and the price of rubber low.

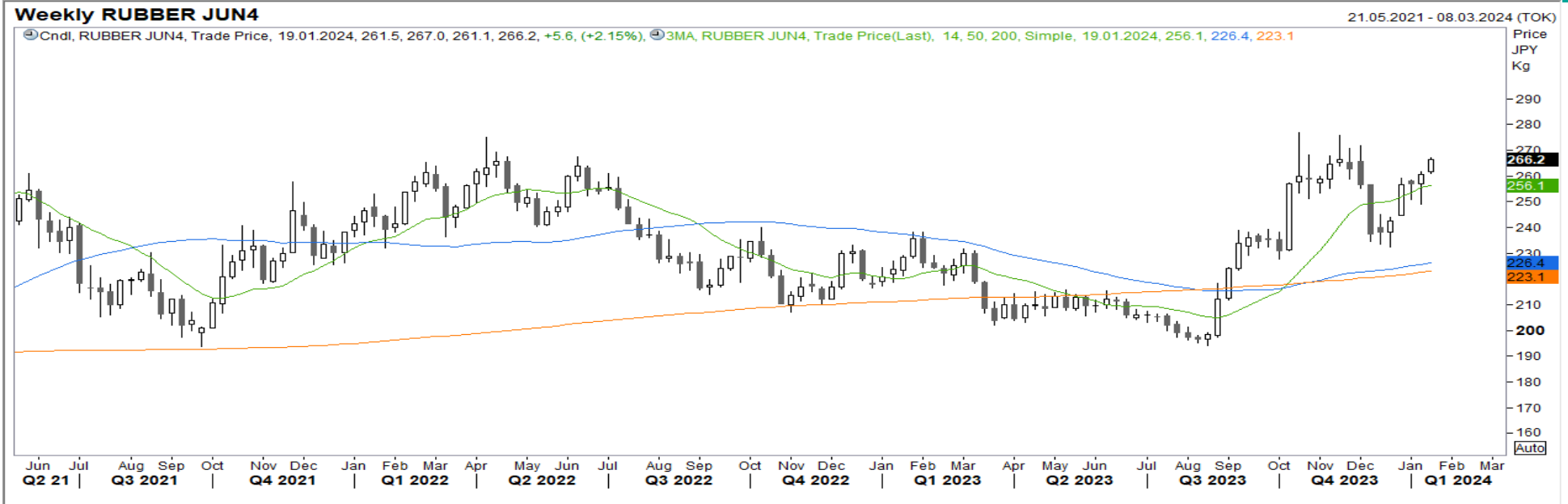
* China's government said on Dec 11 that it has started offering insurance for natural rubber producers, to encourage higher output and increase the country's self-sufficiency rate in producing the latex used to make tyres. The scheme for producers in Hainan and Yunnan provinces, the main rubber producing regions, will stabilise producers' income and increase planting acreage to boost the country's rubber production, according to a joint statement by the finance ministry, agriculture ministry and the National Administration of Financial Regulation dated Dec 8. China is the world's largest natural rubber consumer and a significant importer. Its domestic supplies so far only fulfil a fraction of its needs. The country is expected to produce 836,000 metric tons in 2023 and up to 910,000 by 2030, Jom Jacob, co-founder of India-based analysis firm What Next Rubber, said. "Trees attaining tappable maturity until 2030 are already planted. It means, production capacity cannot be increased for the period up to 2030 as newly planted rubber trees have a long gestation period," he said. The insurance covers rubber seedlings and trees against natural disasters, major diseases, pests and rodents, accidents, wildlife destruction and other risks faced by rubber seedlings or rubber trees, the government said.

* The Malaysian Rubber Board (MRB) and Singapore-based technology company Agridence Rubber Pte Ltd have tied up in a technical collaboration to set up a digital trading platform for sustainable natural rubber.

* The Rubber Board under the Union ministry of commerce and industry has set an ambitious target of setting up rubber plantations on 10,000 hectares of land across north Bengal in next two years to augment rubber production in the country. Senior board officials said they would spend around Rs 50 crore in the two years to develop plantations on the 10,000 hectares.

OUTLOOK

JAPAN OSAKA RUBBER JUN24 FUT



280 is seen as the immediate resistance and a voluminous rise above the same may call for 295 or even more. Inability to clear the same may call for profit booking. However, such moves stretching beyond 224 may dampen sentiments.

PIVOT

Exchange	Contract	S3	S2	S1	Pivot	R1	R2	R3
JAPAN-RSS3	Jun.24	239.8	244.5	252.5	257.2	265.2	269.9	277.9
SHFE-RSS3	May.24	12993	13187	13463	13657	13933	14127	14403
SICOM-RSS3	Feb.24	169	171	174	176	179	181	184

UPCOMING HOLIDAYS

Date	Country	Holiday
25.Jan.24	Malaysia	Thaipusam
26.Jan.24	India	Republic Day
01.Feb.24	Malaysia	Federal territory Day
08.Feb.24	Indonesia	Isra Mikraj of Prophet Muhammed SAW
08-14.Feb.24	Vietnam	Lunar New Year
09.Feb.24	Indonesia	Lunar New Year
09-16.Feb.24	China	Lunar New Year
12.Feb.24	Japan/Malaysia, Singapore	National Foundation Day/Chinese Lunar New Year
23.Feb.24	Japan	Emperor's Birthday
26.Feb.24	Thailand	Makha Bucha Day

News Source: Cogencis, Thomson Reuters, websites of various Exchanges, rubber organizations/associations/boards and news agencies.

Chart source: Cogencis, Thomson Reuters

Data source: Cogencis, Thomson Reuters, Rubber Board etc

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