

WEEKLY WRAP-NATURAL RUBBER

MARKET REVIEW

Movement were rather firm in the overseas natural rubber market in the week gone by. With China returning after the Spring Festival holidays last week, activities gathered pace. Market sentiments were dominated by the US-China trade talks and sanguine expectations on the same lifted the mood. Focus also shifted towards the upcoming meeting of the International Tripartite Rubber Council. Concerns over possible decline in output in the midst of lean production phase and rise in crude oil prices supported the sentiments as well. However, in the local market, sentiments were rather bland with no major fluctuation in prices despite some positive moves witnessed in the overseas natural rubber market.

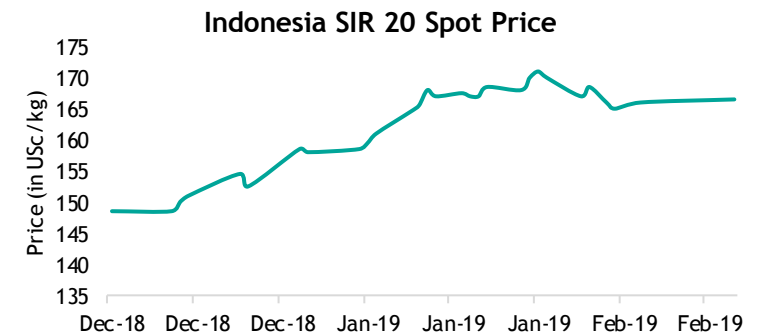
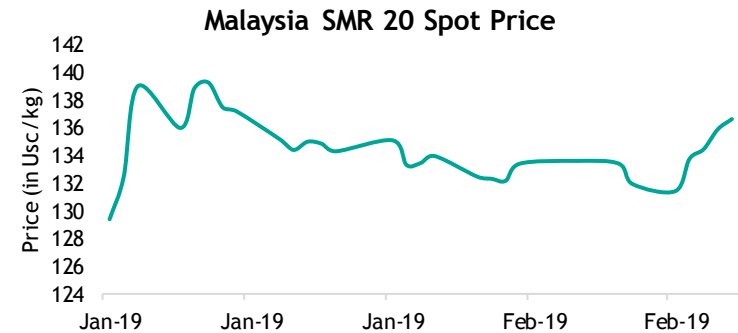
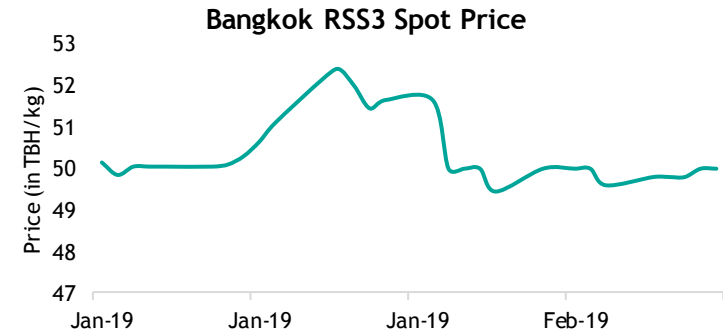
FUTURES PRICES-WEEKLY

Exchange	Grade	Expiry	Quotation	Open	High	Low	Close	%Chg
TOCOM	RSS3	Jan-00	JPY/kg	0	0	0	0	#DIV/0!
TOCOM	TSR-20	Jan-00	JPY/kg	0	0	0	0	#DIV/0!
SHFE	RSS3	Jan-00	CNY/ton	0	0	0	0	#DIV/0!
SICOM	RSS3	Jan-00	USD/100kg	0	0	0	0	#DIV/0!
SICOM	TSR-20	Jan-00	USD/100kg	0	0	0	0	#DIV/0!
ICEX	RSS4	Dec-18	INR/100kg	12635	12694	12635	12662	0.33

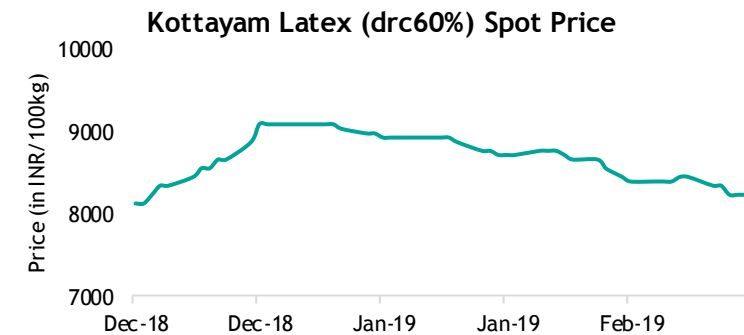
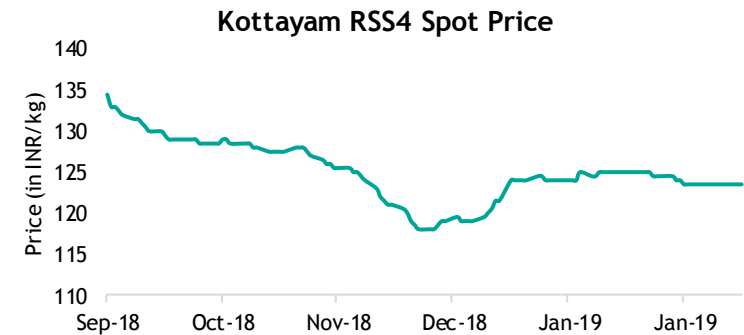
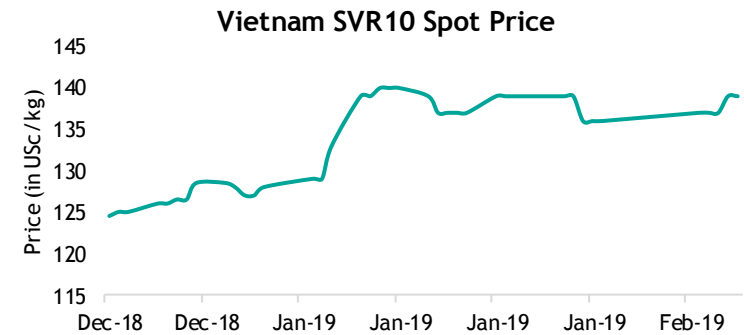
SPOT PRICES-WEEKLY

Market	Grade	Quotation	Price	%Chg	%Chg YTD
Bangkok-Thailand	RSS3	TBH/kg	0	#DIV/0!	-100.00
Kuala Lumpur-Malaysia	SMR-20	USc/kg	0	#DIV/0!	-100.00
Indonesia-Belawan	SIR-20	USc/kg	0	#DIV/0!	-100.00
Vietnam	SVR-10	USc/kg	139.00	2.21	7.75
Kottayam-India	RSS4	INR/100kg	12350	0.00	-0.40
Kottayam-India	RSS5	INR/100kg	11700	0.00	-2.09
Kottayam-India	ISNR-20	INR/100kg	11500	0.88	-0.86
Kottayam-India	Latex (drc 60%)	INR/100kg	8240	-2.54	-8.24

- TOCOM rubber futures ended the last week’s session on a positive note on expectations over the US-China trade talks and International Tripartite Rubber Council meet this week.
- In the Indian market, ICEX rubber futures managed to end the last week’s session in green, while in the spot market RSS4 grade rubber was unchanged at Rs.123.50 a kg throughout the week in lacklustre trades.
- According to data released by the China’s General Administration of Customs, rubber imports declined 6.2 per cent on m-o-m basis in January this year to 619000 tonnes.
- Weekly warehouse stocks data from the SHFE showed a decline of 96 tonnes in rubber inventories to 437021 tonnes as of last Friday.
- The International Tripartite Rubber Council (ITRC), consisting of Indonesia, Malaysia and Thailand, will meet in Bangkok on Feb. 21-22 to discuss ways to prop up prices for natural rubber.
- Indonesia will propose implementation of the Agreed Export Tonnage Scheme (AETS) in a meeting of the top three rubber-producing countries according a senior trade ministry official.
- Malaysia’s natural rubber production increased 5.4 per cent to 54992 tonnes in December 2018 from 52174 tonnes in the previous month, according to the data released by the Department of Statistics Malaysia. Exports from the country shrunk by nine per cent m-o-m to 48183 tonnes during the same period, while consumption declined 2.7 per cent to 41823 tonnes on m-o-m basis.

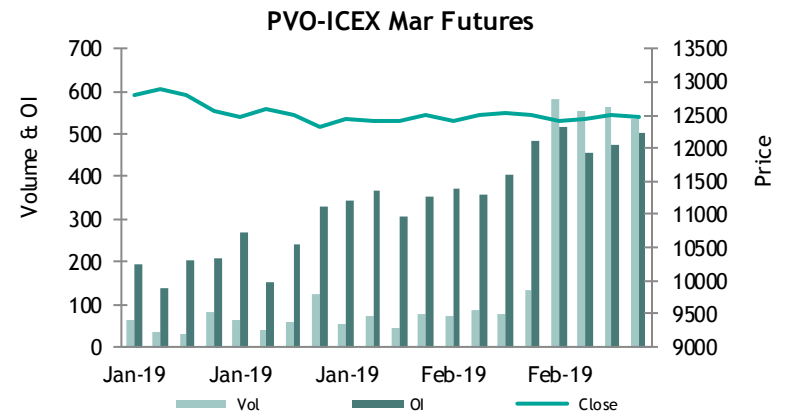
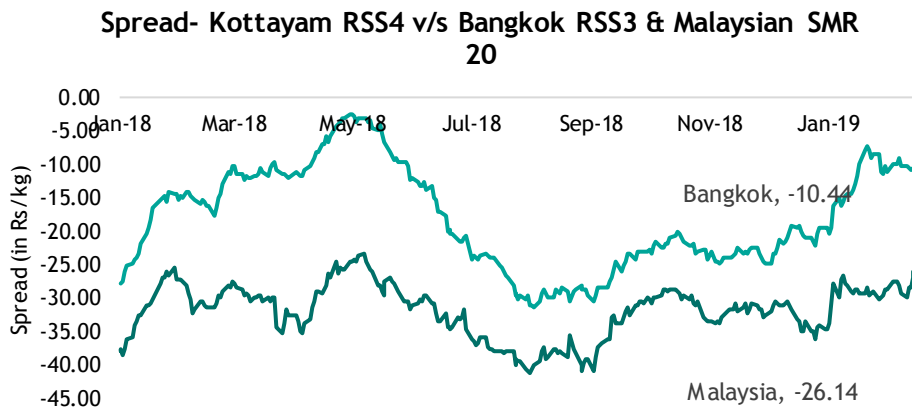
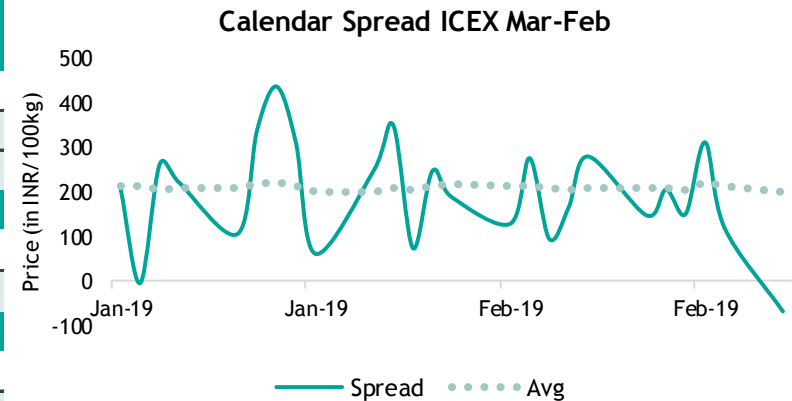


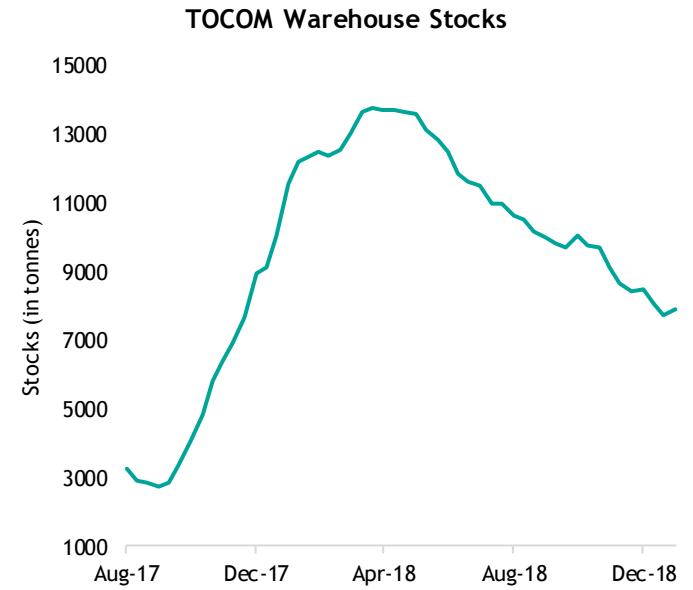
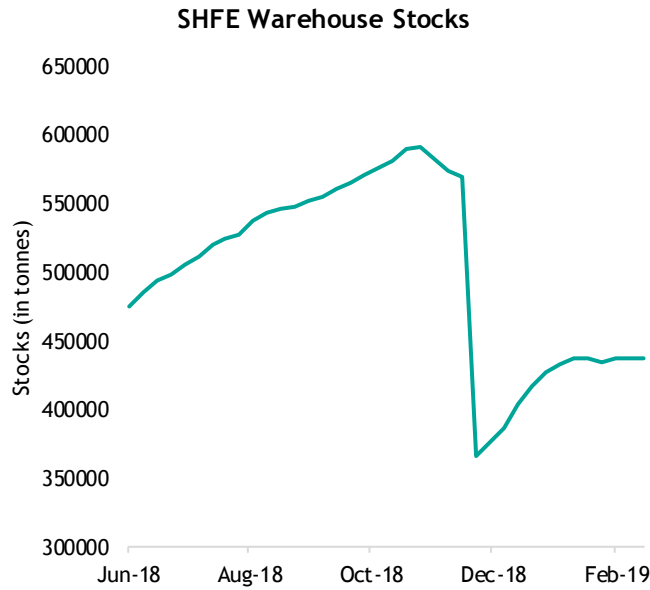
- India’s natural rubber production increased 7.7 per cent in December on m-o-m basis, while it registered a decline of 10.3 per cent on y-o-y basis according to the Rubber Board. In the meantime, consumption and imports continues shooting up. The Rubber Board data shows that the total rubber consumption in the country continued outstripping supply, with 921,600 tonnes being consumed in Apr-Dec, compared to 814,060 tonnes in the year-ago period, while imports surged to 449,088 tonnes in Apr-Dec from 333,321 tonnes in the year-ago period.
- In the Kerala Budget 2019-20, the state government has en-marked Rs.500 crores for rubber price stabilization apart from proposing setting up of a company on the model of the Cochin International Airport Ltd (CIAL) for making value-added rubber products in the state. The government will have 26 per cent equity investment and the balance by private investors. Kinfra has been entrusted with the task of finding 200 acres in Kottayam district. Efforts are on to bring a large tyre manufacturing company as the main investor in this park. There will be common processing facilities in the park for small scale rubber producers. The aim is to create an industrial complex manufacturing items ranging from balloons to tyre.
- Ivory Coast exported 709,816 tonnes of natural rubber in 2018, up around 1.3 percent from the previous year, provisional port data showed.
- Cambodia had exported 217,500 tons of dry rubber in 2018, up 15 percent from a year earlier, according to a General Directorate of Rubber report



ICEX RUBBER FUTURES PRICES-WEEKLY						
Expiry	Open	High	Low	Close	%Chg	Volume
Feb-19	12225	12350	12110	12350	0.82	176
Mar-19	12500	12577	12402	12494	0.72	447
Apr-19	12700	12924	12661	12830	1.11	130
May-19	-	-	-	-	-	-

SPREAD						
Spot Price Kottayam (Rs/100kg)		NMCE Close				
12350		Feb-19	Mar-19	Apr-19	May-19	
		12350	12494	12830	-	
BASIS						
Feb-Spot	Mar-Spot	Apr-Spot		May-Spot		
0	144	480		-		
CALENDAR SPREAD						
Mar-Feb		Apr-Feb	May-Feb	Apr-Mar	May-Mar	May-Apr
Spread 144		336	-	336	-	-





ICEX DELIVERABLE STOCK POSITION				
Date	Delivery Center	State	Name & Address of Warehouse	Weight in MT
15.Feb.19	KOCHI	KERALA	CW Kanjikode	1030
15.Feb.19	KOCHI	KERALA	CW Kakkanad	n.a
15.Feb.19	KOCHI	KERALA	CW Trichur	126
15.Feb.19	KOCHI	KERALA	CW Trivandrum	63
15.Feb.19	KOCHI	KERALA	CW Ernakulam	88

International Rubber Tripartite Council’s meeting on market stabilizing measures and developments in the US-China trade talks is to be the major factors that will be influencing the market sentiments this week. In the overseas market, the commodity is expected to trade on a firmer note this week, while in the local market it is expected to be choppy. However, any significant fluctuation in the overseas natural rubber market could reflect in the local market as well. On TOCOM, the benchmark July rubber future is likely to inch higher towards the 200-week SMA, which is placed near 193 yen/kg as long as support at 175 yen/kg holds downside. On ICEX, with the resistance of 12600 being breached, the upswing could probably stretch towards 12800 ranges or even more. Downside, turnaround level seen at 12300.



TOCOM July Rubber Futures





Month	Date	Country/Exchange	Occasion
February	1	Malaysia	Federal Territory Day
	4-8	China	Spring Festival
	4-6	Malaysia	Chinese New Year
	5	Indonesia	Chinese New Year
	11	Japan	National Foundation Day
	19	Thailand	Makha Bucha Day

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

Chart source: Cogencis, Thomson Reuters

Data source: Cogencis, Thomson Reuters, Rubber Board etc

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