

22 March 2021

MARKET WRAP- NATURAL RUBBER



MARKET OVERVIEW-WEEKLY

FUTURES MARKET PRICES

Market	Expiry	Quotation	Open	High	Low	Close	%Chg
JAPAN-RSS3	Aug.21	JPY/kg	274.7	276	261	261	-5.43
SHFE-RSS3	May.21	JPY/kg	15255	15455	14330	14750	-4.07
SIEE*-TSR20	May.21	CNY/ton	12010	12485	11570	11940	-1.77
SICOM-RSS3	Apr.21	CNY/ton	245.9	248	235	236	-3.67
SICOM-TSR20	Apr.21	USD/100kg	181.5	184	175.7	176.9	-0.73
MCX-RSS4	Mar.21	USD/100kg	16995	17350	16526	16709	-1.40
ICEX-RSS4	Apr.21	INR/100kg	16970	16980	16970	16980	-0.06

INDICES/CURRENCIES/CRUDE OIL

	Rate	%Chg
DJIA	0	#DIV/0!
Nikkei	29792.05	0.250
MSCI Asia Pacific ex-Japan	688.05	-0.830
Sensex	49858.24	-1.839
Nifty	14744	-1.909
Baltic Dry	2281	16.38
Bloomberg Commodity Index	84.5202	-1.67
TR/CC-CRB Index	188.788	-2.58
USD-INR	72.4007	-0.38
USD-JPY	108.87	-0.12
USD-CNY	6.507	-0.02
USD-TBH	30.81	0.46
USD-MYR	4.105	-0.27
NYMEX -WTI Mar.21	61.42	-6.39
ICE Brent Crude Oil Mar.21	64.53	-6.78

SPOT MARKET PRICES

Market	Grade	Quotation	Price	%Chg
Bangkok-Thailand	RSS3	TBH/kg	71.75	-1.98
Kuala Lumpur-Malaysia	SMR20	USc/kg	177.9	-0.22
Indonesia-Belawan	SIR20	USc/kg	215.25	-0.69
Vietnam^	SVR10	USc/kg	178	0.62
Kottayam-India	RSS4	INR/100kg	16900	0.60
Kottayam-India	RSS5	INR/100kg	16600	1.22
Kottayam-India	ISNR20	INR/100kg	15100	0.67
Kottayam-India	Latex (drc60%)	INR/100kg	12945	0.82

* Shanghai International Energy Exchange

^ARBC prices

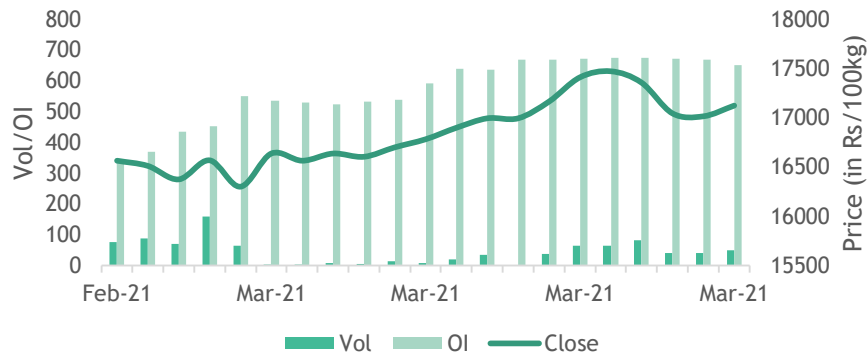
MCX RUBBER FUTURES

Expiry	Open	High	Low	Close	%Chg	Vol	Chg Vol	OI	Chg OI
Mar.21	16995	17350	16526	16709	-1.40	240	-14	414	-108
Apr.21	16125	16490	16080	16468	-0.87	316	231	253	188
May.21	16000	16890	16000	16890	2.94	17	#N/A	17	17
Jun.21	-	-	-	-	-	-	-	-	-

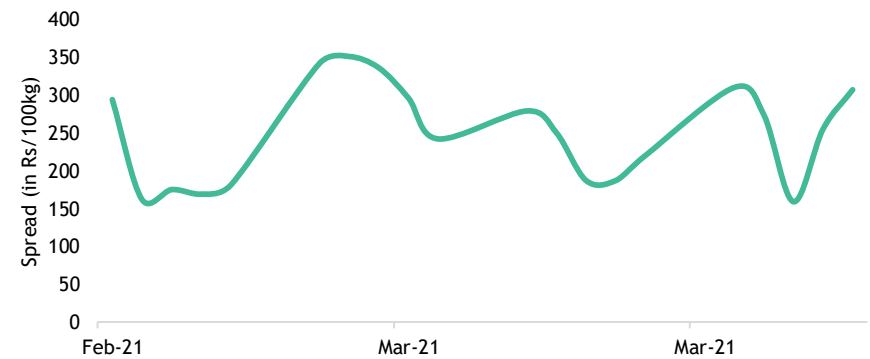
SPREAD

	Spot	Mar.21	Apr.21	May.21	Jun.21
Spot	0	191	432	10	-
Mar.21		0	-241	181	-
Apr.21			0	422	-
May.21				0	-
Jun.21					-

PVO-MCX APR FUT

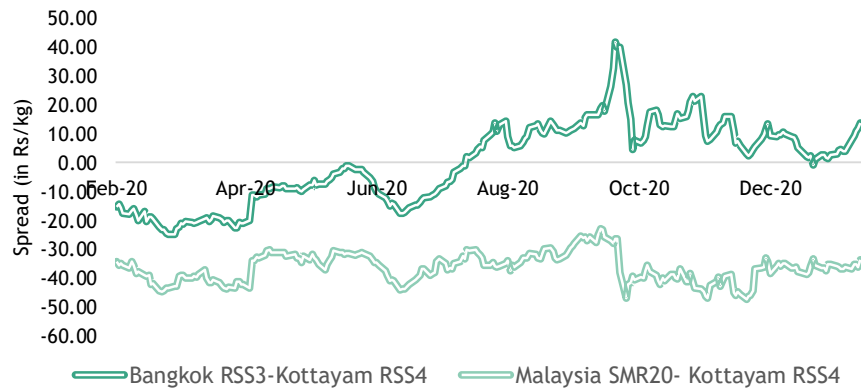


SPREAD CHART- MCX RUBBER Apr- Mar fut

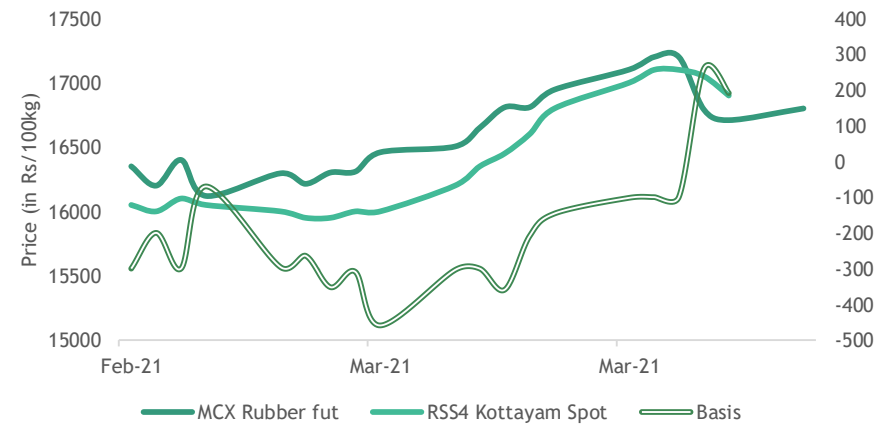


DOMESTIC V/S INTERNATIONAL SPOT

Kottayam RSS4 v/s Bangkok RSS3 & Malaysian SMR 20

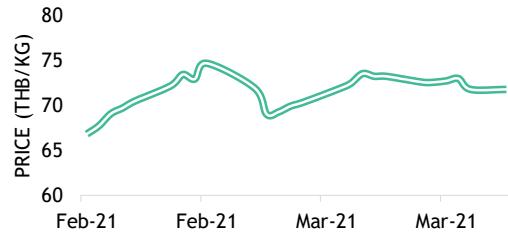


KOTTAYAM RSS4 SPOT - MCX FUTURES

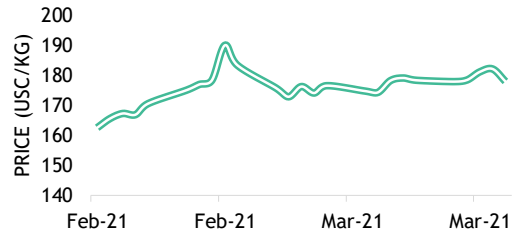


PRICE CHARTS

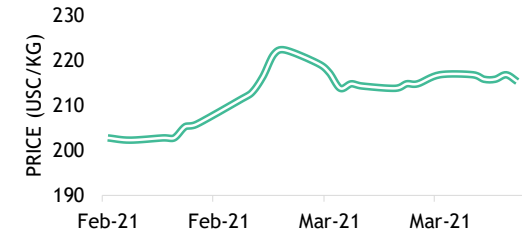
BANGKOK RSS3 SPOT



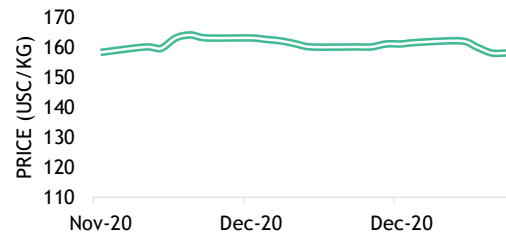
MALAYSIAN SMR 20 SPOT



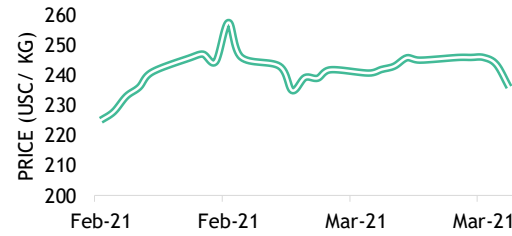
INDONESIAN SIR 20 SPOT



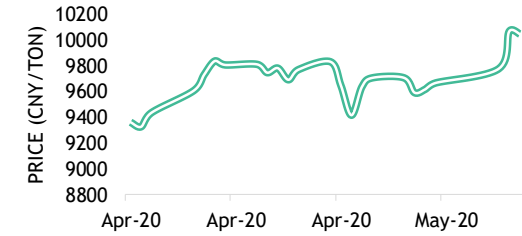
VIETNAM SVR 10 SPOT



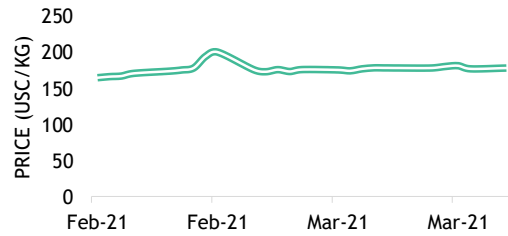
SICOM RSS3 APR FUT



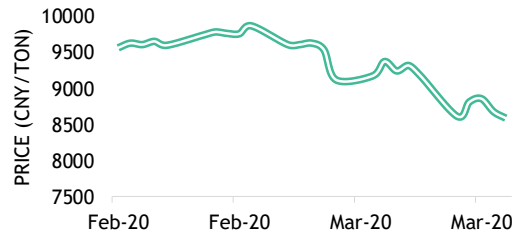
SHFE RSS3 MAY FUT



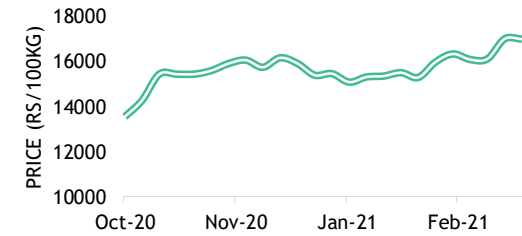
SICOM TSR20 APR FUT



SIEE TSR20 APR FUT



ICEX RUBBER FUTURES



MARKET NEWS & UPDATES

Natural rubber in the Indian market climbed to its highest level in more than seven years last week RSS4 grade rubber in the Kottayam market was quoted at Rs. 171 a kg before trimming gains. Robust demand coupled with lower supplies due to the ongoing lean production phase bolstered natural rubber prices. However, a decline witnessed in natural rubber prices in the overseas market weighed on. Growing cases of Covid-19 cases with several European countries re-imposing lockdown raised worries over global economic recovery and demand for natural rubber. Retreat in crude oil prices influenced the sentiments as well.

Rubber inventories in warehouses monitored by the Shanghai Futures Exchange was down 0.1 per cent at 175002 tonnes on week on week basis according to the data released by the exchange last Friday.

As of Mar 18, 2021, rubber stock eligible for exchange delivery in the MCX accredited warehouse stood 7,629.55 quintals.

The Arunachal Pradesh government has urged the Rubber Board to make subsidies available to farmers and increase activities in plantations by conducting workshops in an effort to revive rubber crop in the state. In a meeting with Rubber Board Executive Director K.N. Raghavan, the government asked the Board to actively take part in transforming the state into the rubber bowl of the Northeast and help boost its economy.

Malaysia's natural rubber (NR) production decreased 8.2 per cent to 45,73 tonnes in January 2021 from 49,825 tonnes in the preceding month, the Department of Statistics Malaysia said. It said NR production also fell year-on-year by 31.0 per cent. The department also reported an 11.2 per cent month-on-month jump in total NR domestic consumption to 47,115 tonnes in January.

According to the ANRPC, based on the preliminary estimates, the outlook of world production of natural rubber (NR) is likely to fall 12.4%, year-on-year, to 897,000 tonnes in February 2021. While the world consumption of natural rubber is estimated to recover at 47.5%, year-on-year, to 1.103 million tonnes during the same month too. As a result of this favourable market fundamental amid the seasonal wintering in most NR producing countries, it has supported the upward trend observed in average monthly prices across key physical markets during the reference month.

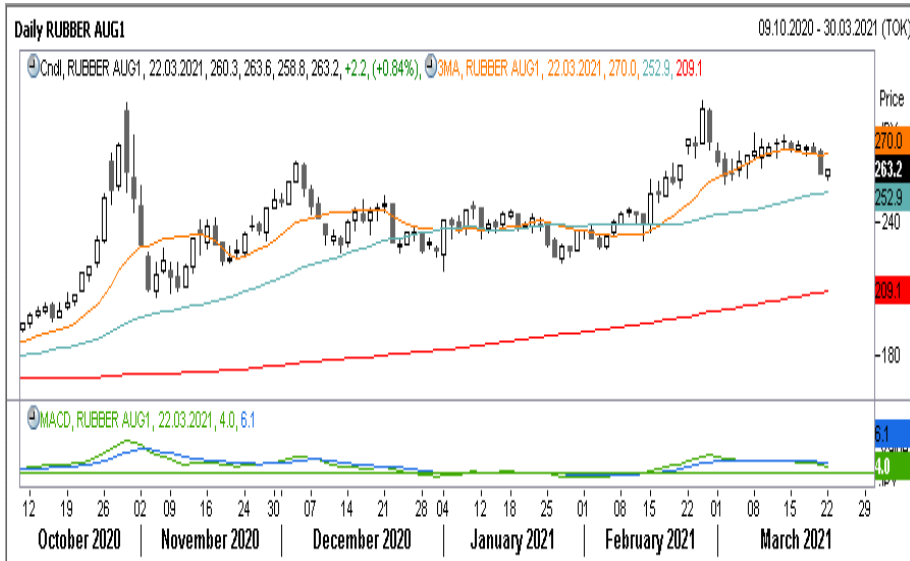
Indonesia has issued a new regulation for plantations, among dozens of rules issued by its government late on Sunday to allow the implementation of an "omnibus" jobs creation law approved last year. The maximum size of new rubber plantations has been increased to 23,000 hectares from 20,000 hectares previously.

The area under natural rubber in the north-eastern States of Tripura and Assam is likely to grow around 20,000 hectares this year with support from the rubber industry, which will join hands with the Rubber Board in an unprecedented partnership that ultimately aims to bring around two lakh hectares under fresh cultivation. The total area under natural rubber in the seven north-eastern States is around 1.89 lakh hectares of which over 60,000 hectares are accounted for by Tripura, which was the first non-traditional area in the country to experiment with rubber cultivation.

The International Monetary Fund raised its forecast for global growth 2021, betting the rollout of coronavirus vaccines and more fiscal stimulus will offset the immediate challenge posed by the resurgent pandemic. Global gross domestic product will soar 5.5 per cent this year, faster than the 5.2 per cent projected in October, the fund said.

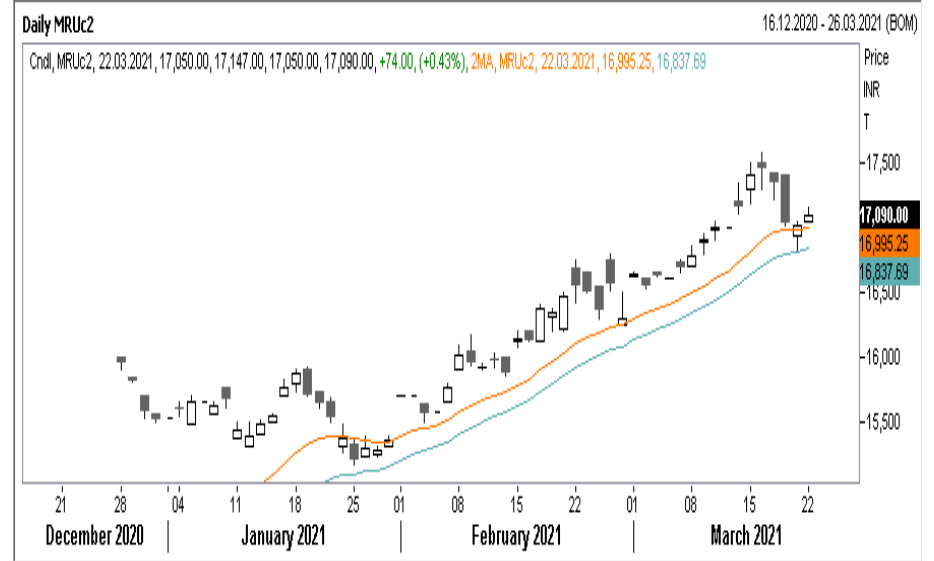
OUTLOOK

JAPAN RUBBER AUG FUT



250 seems to be a relatively strong support, which if breached may see the witnessing downswing continuing. Else, may hold the same for a bounce back.

MCX RUBBER MAR FUT



16800 is the immediate support, which if held downside may call for a bounce back towards 17200/17400 or even more. However, a fall below 16800 accompanied by substantial volume may lessen the prevailing positive bias.

PIVOT

Exchange	Contract	S3	S2	S1	Pivot	R1	R2	R3
JAPAN-RSS3	Aug.21	241.0	251.0	256.0	266.0	271.0	281.0	286.0
SHFE-RSS3	May.21	165	165	174	179	182	187	190
ICEX-RSS4	Apr.21	16432	16587	16788	16943	17144	17299	17500
MCX-RSS4	Apr.21	15946	16385	16701	17140	17456	17895	18211

HOLIDAYS -2021

MARCH

11	Indonesia	Isra Mikraj of Prophet Muhammed
11	India	Mahashivrathri
12	Indonesia	Commemoration of Isra Mikraj
29	India	Holi

APRIL

02	India, Indoneisa	Good Friday
05	China	Tomb Sweeping Day
06	Thailand	Chakri Memorial Day
13-15	Thailand	Songkran Festival
14	India	Ambedkar Jayanti
21	India	Ram Navami
29	India	Holi
29	Japan	Showa 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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