

# Thailand Monthly Rubber Report – July 2017

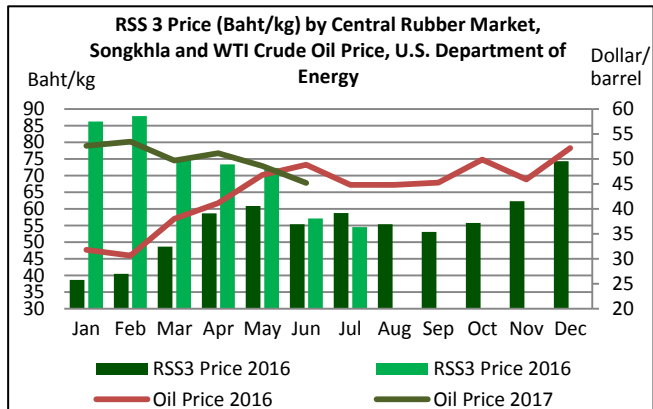
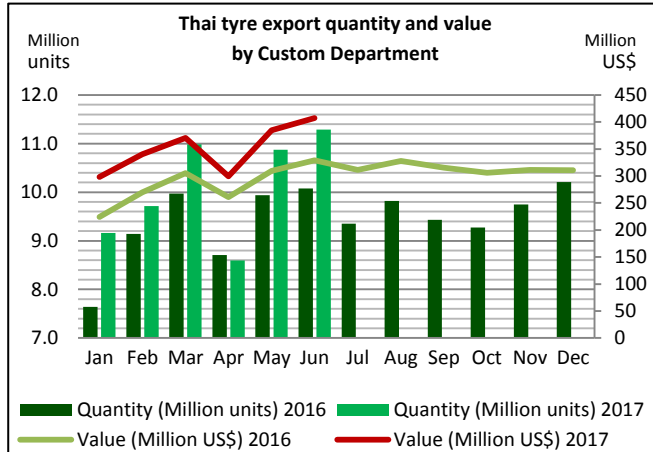
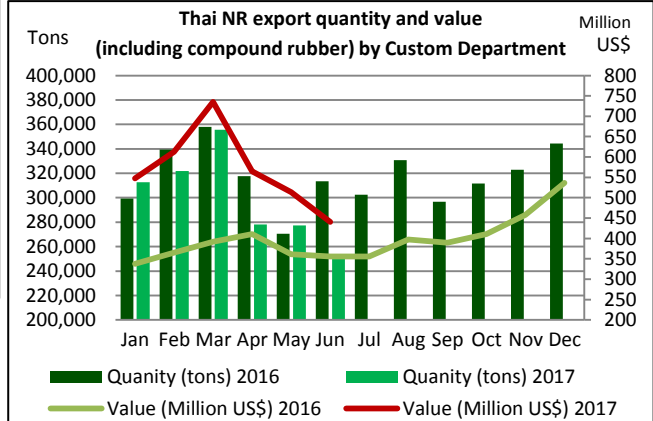


July average RSS3 price announced by Central Rubber Market in Songkhla stood at 54.44 Baht/kg, down 4.64 % from June due to the following factors. Output increased in producing countries, especially Thailand due to the cessation of rainfall in plantation areas which resulted in higher tapping ability. China's rubber stock climbed up to 382,768 tons as of 28 July compared to 367,719 tons as of 7 July. National Bureau of Statistics of China disclosed China's July PMI decreased to 51.4 from 51.7 in June. Investors were concerned over liquidity in Chinese financial markets; the Chinese central bank added 40 billion yuan (\$5.9 billion) into the system via 7-day and 14-day reverse repos. North Korea launched a missile on 4 July, with Japan saying it appeared to have landed in the Japanese exclusive economic zone; this affected sentiment in futures market. Investors were cautious after major central banks including that of USA and Europe were said to exercise stricter monetary policy. According to the European Tyre and Rubber Manufacturers' Association, its members' tyre replacements sales in the second quarter of 2017 slowed down significantly compared to the first three months of the year, with a negative performance for all segments, and particularly in the consumer segment.

In June, Thailand exported 261,251 tons of natural rubber (including compound rubber), down 5.78 % from May and 16.67 % yoy, generating export income of US\$ 440.27 million, down 14.24 % from May, up 23.62 % yoy. Overall, during the 1<sup>st</sup> half of 2017 Thai NR exports (including compound rubber) reached 1,806,854 tons, down 4.8 % yoy. The YTD export value touched US\$ 3.41 billion, up 53.59 % yoy.

In tyre sector, in June Thailand exported 11.29 million units of all tyres, up 12.07 % yoy, with the export value of US\$ 407.17 million, up 23.76 % yoy. Overall, during the 1<sup>st</sup> half of 2017 Thai exports of all tyres reached 60.62 million units, up 9.28 % yoy, generating export income of US\$ 2.10 billion, up 23.69 % yoy.

Thai NR export (Custom Department)		Jun 2017	%		Jan-Jun 2017	%
			MoM	YoY		
TSR	Quantity (tons)	122,393.04	-3.25	-5.09	865,455.72	0.94
	Value (Million US\$)	210.20	-12.68	15.41	1,739.67	60.76
RSS	Quantity (tons)	45,850.17	-10.43	18.94	302,700.19	1.66
	Value (Million US\$)	99.36	-16.84	62.75	699.02	59.91
Latex	Quantity (tons)	75,956.50	-10.57	-40.00	540,738.69	-11.24
	Value (Million US\$)	101.72	-16.72	22.82	780.42	51.05
Compound	Quantity (tons)	9,711.55	-7.96	-39.16	71,874.12	-32.06
	Value (Million US\$)	20.68	-19.51	-22.16	159.91	-0.43
Other	Quantity (tons)	7,340.26	78.48	113.25	26,085.55	-6.15
	Value (Million US\$)	8.31	55.88	132.11	34.54	32.77
<b>Total</b>	Quantity (tons)	261,251.51	-5.78	-16.67	1,806,854.25	-4.80
	Value (Million US\$)	440.27	-14.24	23.62	3,413.55	53.59



Thai NR average prices (Baht/kg) by Central Rubber Market, Hatyai, Songkhla	Jul 2017	%	
		MoM	YoY
local unsmoked sheets	49.78	-5.83	-6.11
latex at factory	46.31	-10.98	-5.08
unsmoked sheets at Central Market	51.47	-6.89	-8.71
RSS3 at Central Market	54.44	-4.64	-7.30
FOB. (Bangkok)	59.27	-3.41	-4.20

