

# Thailand Monthly Rubber Report – August 2018

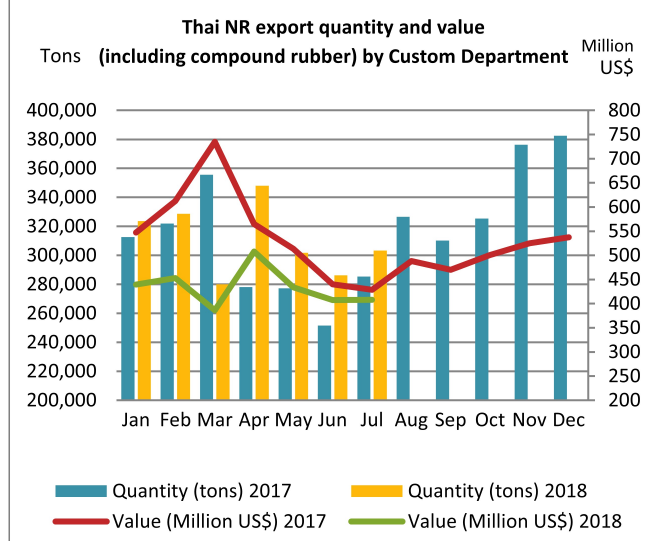


August average RSS3 price announced by Central Rubber Market in Songkhla stood at 44.69 Baht/kg, down 1.46 % from July due to the following factors. Trade war between the U.S. and Turkey partially resulted in slow world economic growth, while tension between the U.S. and China continued and brought about weakening production sector. Thai export sector continued expanding, while Thai baht was likely to appreciate further due to capital outflow as a result of increasing global interest rate. Fed agreed on gradual pace of interest hike. Vulnerabilities arising from global financial markets continued imparting uncertainty to the inflation outlook, affecting overall investment and consumption. Rubber inventory in Shanghai was considerably high amid lackluster demand. However, certain positive factors supported rubber prices against further decline, Chinese economy continued its strong expansion despite the effect of the trade war. Indian rubber production is likely to decrease after the massive flood in Kerala, the major rubber-planting state of India. Rubber output in Thailand is tight due to the rains in major plantation area.

In July, Thailand exported 303,325 tons of natural rubber (including compound rubber), up 5.98 % from June and 6.29 % yoy, generating export income of US\$ 407.82 million, up 0.06 % from June, down 4.91 % yoy. Overall, during the first 7 months, Thai NR exports (including compound rubber) reached 2,171,708 tons, up 3.80 % yoy. The YTD export value touched US\$ 3.03 billion, down 20.98 % yoy.

In tyre sector, in July Thailand exported 10.94 million units of all tyres, up 2.14 % yoy, with the export value of US\$ 420.15 million, up 11.00 % yoy. Overall, during the first 7 months of 2018, Thai exports of all tyres reached 75.63 million units, up 6.02 % yoy, generating export revenue of US\$ 2.78 billion, up 12.22 % yoy.

Thai NR export (Custom Department)	Jul 2018	%		Jan-Jul 2018	YoY	
		MoM	YoY			
STR	Quantity (tons)	127,116.17	-0.53	29.34	878,081.79	-8.89
	Value (Million US\$)	185.49	-3.23	15.74	1,318.92	-30.58
RSS	Quantity (tons)	45,325.40	6.35	-15.24	336,682.64	-5.47
	Value (Million US\$)	72.40	-1.01	-27.11	570.41	-28.55
Latex	Quantity (tons)	105,974.98	16.96	2.58	748,884.46	16.28
	Value (Million US\$)	111.45	8.68	-10.08	830.53	-8.16
Com pound	Quantity (tons)	15,102.50	-8.45	26.05	114,705.94	36.79
	Value (Million US\$)	29.51	-6.59	12.05	228.11	22.48
Other	Quantity (tons)	9,806.49	12.78	-46.55	93,353.50	110.10
	Value (Million US\$)	8.97	4.13	-52.82	88.18	64.70
Total	Quantity (tons)	303,325.54	5.98	6.29	2,171,708.32	3.80
	Value (Million US\$)	407.82	0.06	-4.91	3,036.14	-20.98



Thai NR average prices (Baht/kg) by Central Rubber Market, Hatyai, Songkhla	Aug 2018	%	
		MoM	YoY
local unsmoked sheets	41.53	-0.55	-19.64
latex at factory	41.90	-1.30	-18.10
unsmoked sheets at Central Market	43.04	-1.17	-19.28
RSS3 at Central Market	44.69	-1.46	-21.64
FOB. (Bangkok)	48.92	-2.04	-20.23

