AN INSIGHT TO RUBBER PRICE MOVEMENTS FROM MACRO FINANCIALS

Dar Wong
Chief Investment Strategies – Dektos Investmen Singapore

Abstract

Dollar strength has moved into a new cycle of downtrend due to waning confidence in U.S. Government. The uncertainty in U.S economy looms with ballooning deficits while Chinese Yuan begins to strengthen. Crude oil overshadows the global market in stumbling inflation as Commodities recover. Come and learn the forecast of Rubber prices and how it might affect your business survival.
An insight to rubber price movements from macro financials

Profile of DAR Wong

- Fund management professional with 28 years of experience in the global financial markets
- Financial columns in the Borneo Post and Busy Weekly
- Market commentary broadcast on Channel News Asia and FM88.3 JIA radio in Singapore
- Educational seminars and trainings in 18 countries with clients from:
  - Government Ministries
  - Exchanges
  - Financial Institutions
  - Brokers and Private Corporations
- Outstanding Award for Intl Financial Market Analysis 2015 (ASEAN Economics Thailand)
- AMP Award 2015 (Royal Palace of Palembang Indonesia)
**RISK DISCLOSURE / DISCLAIMER**

**Risk Warning:** Leveraged FX and Commodity trading is not suitable for all investors. You should carefully consider whether such trading is appropriate for you in the light of your experience, objectives, financial resources and other relevant circumstances. If in doubt, please seek independent expert advice. When considering the benefits, you should also consider the risks. Leveraged trading requires the deposit of a small percentage of the total trading value (margin). The leverage associated with trading facilitates in larger size as specified in international practice, compared to traditional full value trading. However, an adverse movement in the underlying instrument can also quickly expose you to losses in your initial deposit by auto-cut system.

You may lose some or all of your investments, including your initial deposits. You may also maximize profits according to the unprecedented trend in markets. All trading actions are at your full own responsibility and will be executed by yourself or under your instruction only.

**Disclaimer:** The contents attached herein are for education purpose only. They may change without prior notice.

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**TODAY’s TOPIC**

- President Trump & U.S. FED Policy
- USDX vs TSR20 Chart
- European stimulus in 2017 and Central Bank tapers influence
- Outlook for Rubber Prices in 2018
- BREXIT
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1) President Trump & U.S. Policy

- Can Trump really make America Great Again?
- U.S. is facing slow recovery
- Trump Policy – rate hike - tax cut - build infrastructure
- FED begins to trim USD4.5 trillion on balance sheet in October but will be slow-tempo
- Tax-reform will add 1% - 3% growth to GDP if successfully implemented
- Tax-reform + Trim balance sheet = Weaker Dollar

2) USDX Vs. TSR20 Chart (2007 ~ NOW)

USDX Vs. TSR20 (SKCOM) as of 29 Aug 2017
Source: NextVIEW (2017)

<A General Inverse Correlation between the 2 Market Instruments >
3) ECB tapers stimulus 2017 and BEXIT Influence

✓ European Central Bank (ECB) President Mario Draghi assures the global soundness in financial market and progressing recovery in Eurozone economy. (Jackson Hole Symposium on 25-26 August)

✓ ECB began EUR40 – 80 billion monthly stimulus since 2015. Consumer-price inflation has recovered from ZERO to current 1.3 percent on Y/Y.

✓ ECB has announced withdrawal of stimulus after December 2017 and lifts Euro currency......<click>

✓ U.K. is still far from reaching the negotiation with EU on BREXIT
✓ Capital investment is starting to leave U.K. while property prices have declined
✓ Euro will rise against falling Dollar and Pound...<END>

4) Outlook for Rubber Prices 2018

- Rubber prices sank to 5-year low and recovered from Feb 2016
- Strong Resistance at USD1.73 (KG) formed by EMA200
- Crossing above USD1.73 (KG) will move into range limit at USD2.00 (KG) before Dec 2017
- Going back to test 33% = USD2.45 (KG) is possible in Q1 2018
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END OF PRESENTATION

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One who never made an error has never tried anything new!
- Albert Einstein (1879 – 1955)