SUMMARY

ANDI SURYADI. Analysis of Rubber Price Integration and Asymmetry TSR20 Indonesia and TSR20 World. Supervised by SAHARA and ROKHANI HASBULLAH.

Rubber is one of the important plantation commodities for Indonesia. Indonesia's rubber production in 2014 reached 3.606 million tons, of the total production 2.623 million tons or equivalent to 83.20% in exports to various countries. The export volume of natural rubber TSR20 type is the largest, reaching 90.94%. Therefore TSR20 rubber is the most important rubber in Indonesian rubber trade. With the export volume compared to domestic consumption, the Indonesian rubber market depends on the world market. Indonesia's main rubber market is the United States, the volume of exports to the United States reached 24.21% in 2015. While until now the price of rubber formed in the Indonesian market, influenced by the price formed on the futures market Singapore (SICOM).

This study aims to: (1) analyze the price integration between TSRI, TSRS and TSRNY (2) analyze the asymmetry relationship of TSRI, TSRS and TSRNY (3) analyze the managerial implications of TSRS and TSRNY price changes on TSRI. This study uses monthly data series of time series from 2010 to 2016. The analysis is done using Asymmetric Error Correction Model (AECM).

The results of the analysis show that TSRI, TSRS and TSRNY markets have been integrated. While the relationships between these markets are: (1) causality between the TSRI and TSRS markets, the TSR20 price in the TSRI market is affected by the TSRS market but the TSRI market does not affect the TSRS price. (2) causality between the TSRI market and TSRNY, causality between these two markets influences each other, meaning that if a price change in one market will affect the price of other markets. (3) causality between TSRS and TSRNY, the relationship between these markets influence each other so that if there is a change of price in one market will affect other markets.

The results of AECM analysis show that the price of TSRI in the short term is influenced by TSRS price in period t, TSRNY in period t and TSRI price in period t-1. The symmetry relationship occurs between the TSRS market and the TSRI market in both the short and long term. The relationship of this symmetry causes if there is a price change in one period in TSRS market then the price in TSRI market will change in that period. While the asymmetry relationship between TSRNY market to TSRI market is significant, it means that there is an asymmetry relationship between TSRNY market to TSRI market. This illustrates any short-term price changes in the TSRNY market will not be immediately forwarded to the TSRI market, whereas in the long run there will be no price equilibrium between the TSRNY market and the TSRI market.

The managerial implications that can be made when the price falls, the company must reduce its production and some of the products that have been produced can be stored in the storage warehouse. Therefore when the price falls, the company must take into account the appropriate production and inventory levels so that losses can be minimized until the price returns to normal. While when prices rise companies should be able to see these opportunities. When the price goes up the production can be increased to the optimum point. While the
stock of goods stored when prices fall in the previous period can be issued to obtain a large profit margin. From the marketing side of the improvement opportunity, it should be utilized as much as possible in order to get a good profit.

Keyword: AECM, integration, New York, rubber SICOM