



MALAYSIAN RUBBER BOARD

D I G E S T

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Natural Rubber Market Review

February

The Kuala Lumpur rubber market witnessed a mixed trend during the review period as the price of SMR 20 moved upwards before a slight decline during month end in tandem with regional rubber futures markets. Overall, the negative sentiment was driven by slight decline in crude oil prices, less encouraging China auto sales data and as the market reacted negatively to rising local NR rubber production reported by the Department of Statistics Malaysia (DOSM) amid growing concerns for further U.S. interest rate hikes. Nevertheless, further losses were supported after China announced more stimulus to boost its economy, the unexpected rebound in United States economic activity, a stronger global NR demand anticipated by the Association of Natural Rubber Producing Countries (ANRPC) and a weaker ringgit against the U.S. dollar. Compared with those on 31 January, price of SMR 20 decreased by 2.0 sen/kg or 0.3% to close at 610.00 sen/kg on 28 February. Meanwhile, latex concentrate closed at 536.50 sen/kg, a slight decrease of 11.0 sen/kg or 2.0%. Price movements of selected grades of rubber in February 2023 are shown in Table 1.

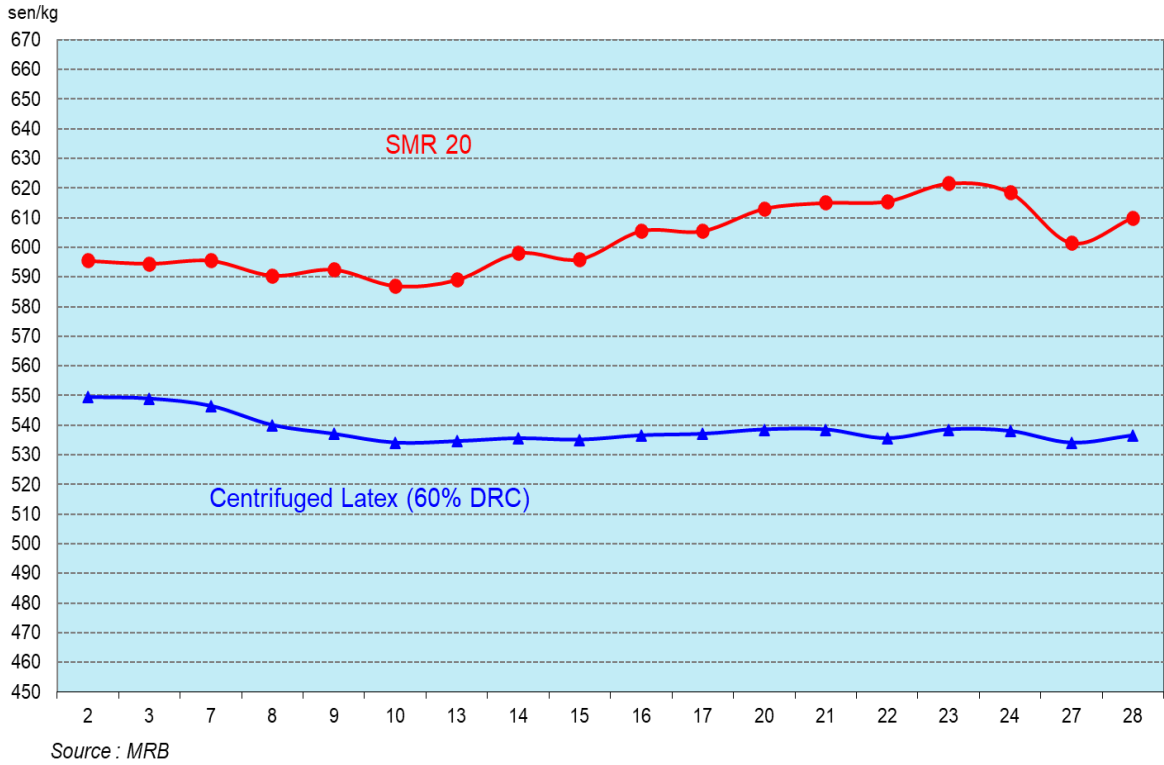
The bearish sentiments that prevailed in the review period included oil prices that moved in a flat-to-low range as mixed U.S. inflation data brewed more uncertainty over monetary policy headwinds this year, while signs of another massive build in crude inventories also weighed on prices. At the same time, the U.S. Federal Reserve raised interest rates by 0.25%, and signalled a need to push monetary policy further into restrictive territory as the central bank looks to make up further ground in its battle against inflation. Market players also reacted to increased local natural rubber (NR) production reported by DOSM at 8.9% in December 2022 (30,556 tonnes) as compared to November 2022 (28,048 tonnes). Declining auto sales report by China Association of Automobile Manufacturers (CAAM) and EU's anti-deforestation were seen to further pressure market. According to CAAM, sales of passenger vehicles fell 33% to 1,469,000 units, commercial vehicle sales were down 48% at 180,000 units while new vehicle sales in China fell sharply in January 2023, by 35% to 1,649,000 units from 2,531,000 units a year ago. Meanwhile, the EU is introducing anti-deforestation regulations to force all stakeholders in the rubber & tyre value-chain to clarify whether any of the natural rubber being supplied, traded, or used is linked to deforestation.

Table 1: Reference Prices (Noon) of SMR CV, SMR 20 and Centrifuged Latex (60% DRC), February 2023

	SMR CV		SMR 20		Centrifuged Latex (60% DRC)	
	sen/kg	RM/tonne	sen/kg	RM/tonne	sen/kg	RM/tonne
Highest	936.00	9,360.00	621.50	6,215.00	549.50	5,495.00
Lowest	910.00	9,100.00	587.00	5,870.00	534.00	5,340.00
Average	917.58	9,175.80	602.47	6,024.70	538.56	5,385.60
Change from the last day of the previous month	-18.50	-185.00	-2.00	-20.00	-11.00	-110.00

Source: Malaysian Rubber Board (MRB)

Reference Prices (Noon) for SMR 20 and Centrifuged Latex (60% DRC), February 2023



Reference Prices (Noon) for SMR 20 and Centrifuged Latex (60% DRC), 1 March 2022 - 28 February 2023



Nevertheless, further losses were cushioned by bullish sentiments including improved economic activities in the U.S. and China. It was reported that U.S. retail sales surged by the most in nearly two years in January after two straight monthly declines as Americans boosted purchases of motor vehicles and other goods, pointing to the economy's continued resilience despite higher borrowing costs. On the other hand, U.S. consumer price index increased 6.4% in the 12 months through January, marking its smallest annual rise since late 2021 but faster than the 6.2% economists had expected as Americans were burdened by higher rental housing and food costs. China's state planner and finance ministry announced policies aimed at stimulating spending on housing and unlocking consumer savings that have been built up during the pandemic. It was reported that the People's Bank of China (PBOC) held its one-year loan prime rate (LPR) at 3.65%, while the five-year LPR was unchanged at 4.30%. A clutch of better-than-expected data recently suggests economic activity is rebounding as Beijing exited from its stringent zero-COVID strategy in December and shifted to a pro-growth policy stance. China's National Bureau of Statistics reported that the official manufacturing Purchasing Manager's Index (PMI) rose 52.6 in February, higher than expectations for a reading of 50.5, and January's figure of 50.1. Optimism in projected rubber demand by the ANRPC and a weaker ringgit further lifted the market. According to ANRPC, the outlook of global natural rubber (NR) market in 2023 is anticipated to reach 14.693 million tonnes for production while consumption is projected at 14.738 million tonnes. The ringgit weakened against the U.S dollar, ranged between RM4.2410– RM4.4835 in February as compared to the previous month.

Outlook

Prices will continue to track the performance of ringgit, regional rubber futures markets and benchmark crude oil prices. Market operators will be keeping an eye on the progress of Chinese economic development, global inflation while continuing to monitor the outlook of U.S. monetary policy for further market cues.

News Briefs

Global factory activity contracted again in January, highlighting fragile recovery

Manufacturing activity across the United States, Europe and Asia contracted again last month, underscoring the fragility of the global economic recovery, although factories in the euro zone at least may have passed the trough, surveys showed. The third straight monthly contraction pushed the index to the lowest level since May 2020 and below the 48.7 mark viewed as consistent with a recession in the broader economy. A PMI reading below 50 indicates contraction in manufacturing, which accounts for 11.3% of the U.S. economy.

- reuters.com, 1 Feb

Fed hikes by 0.25% in further downshift on tightening, but sees more hikes ahead

The Federal Reserve raised interest rates by 0.25% on 1 Feb, and signaled a need to push monetary policy further into restrictive territory as the central bank looks to make up further ground in its battle against inflation. The Federal Open Market Committee, the FOMC, raised its benchmark rate to a range of 4.5% to 4.75% from 4.25% to 4.5% previously.

- investing.com, 1 Feb

Eurozone inflation slows by more than expected in January

Inflation in the Eurozone slowed by more than expected in January, according to preliminary data from Eurostat, although the figures only include an estimate of price growth in the bloc's biggest economy Germany. The Eurozone consumer price index dropped by 0.4% month-on-month during the period, matching the decrease seen in December. Economists had forecast a decline of 0.3%. On an annual basis, the rate of inflation decelerated to 8.5%, down from 9.2% in the prior month and below economists' predictions of 9.0%. The reading peaked at a euro-era high of 10.6% in October.

- english.news.cn, 1 Feb

Central banks hike rates again, but a pause is coming

Major central banks are steadily moving closer to a pause in their aggressive interest rate hiking campaigns. The U.S. Federal Reserve has just implemented its smallest rise of its tightening cycle so far. The European Central Bank and the Bank of England raised rates, but markets suspect a peak is nearing. Overall, 10 big developed economies have raised rates by a combined 2,965 basis points in this cycle to date, with Japan the holdout dove.

- reuters.com, 2 Feb

Rubber farmer income plan gets approval

The government has approved a THB 7.64-billion income guarantee scheme for rubber farmers for the 2022-23 season, which is operating for the fourth consecutive year. Nakorn Tangavirapat, governor of the Rubber Authority of Thailand (ROAT), said the scheme was endorsed at a meeting of the National Rubber Policy Committee, chaired by Prime Minister Prayut Chan-o-cha. The scheme covers 1.60 million rubber farmers with a combined 18.2 million rai of rubber plantations. Of the total, plantation owners and tenant farmers account for 1.37 million people, with 231,514 rubber tappers.

- bangkokpost.com, 2 Feb

Chinese official pledges efforts to increase auto sales

A Chinese official pledged to stabilize and expand auto sales this year as part of broader efforts to stimulate consumption. Xu Xingfeng, an official with the Ministry of Commerce, told a press conference that the country will roll out policies to stabilize new car sales, support the purchase of new-energy vehicles (NEVs), and expand the circulation of used cars. Car purchases contributed 10% of the country's total retail sales, and the figure will increase to nearly 15% when oil sales are taken into account. Some 26.86 million new cars were sold in China in 2022, up 2.1% year on year, giving the country the world's largest sales figures. NEV sales last year nearly doubled.

- english.news.cn, 2 Feb

China's January Auto Sales Plunge 45%

China's auto market started 2023 with a sales plunge of nearly 45% as the end of government subsidies and the week-long Lunar New Year holiday dragged on sales. From 1st to 27th January, retail auto sales totaled 985,000 units, down 45% from a year ago and 43% less than a month earlier, according to the China Passenger Car Association (CPCA). Sales to dealers slumped 50% year-on-year to 891,000 vehicles during the period. Sales of new-energy vehicles (NEVs) declined 1% year-on-year to 304,000 units, down 43% from December.

- caixinglobal.com, 3 Feb

Indian auto sales up 14% in Jan, helped by festive season, rural demand: FADA

Automobile sales grew 14% in January year-on-year as festivals, weddings and more money in the rural economy helped demand, said an industry association. All categories of vehicles did well with two-wheeler, three-wheeler, passenger vehicle, tractor and commercial vehicles growing 10%, 59%, 22%, 8% and 16% respectively, said the Federation of Automobile Dealers Associations (FADA).

- business-standard.com, 6 Feb

Monthly Rubber Statistics Malaysia, December 2022

Natural Rubber (NR) production increased by 8.9% in December 2022 (30,556 tonnes) as compared to November 2022 (28,048 tonnes). Year-on-year (y-o-y) comparison showed the production of NR decreased by 26.7% (December 2021: 41,690 tonnes). Total stock of NR in December 2022 increased by 4.1% to 201,359 tonnes as compared to 193,396 tonnes in November 2022. The performance of the fourth quarter of 2022 showed NR production decreased by 18.5% to 90,399 tonnes as compared to 110,969 tonnes in the third quarter of 2022. The annual performance of Malaysia's NR production in the fourth quarter of 2022 recorded a decrease of 21.6% as compared to 2021 (115,310 tonnes). In addition, the overall performance of NR production in 2022 showed a decrease of 19.7% to 377,047 tonnes as compared to 469,669 tonnes in 2021.

- dosm.gov.my, 7 Feb

Synthetic rubber market is expected to reach around USD41.73 billion by 2030

The global synthetic rubber (SR) market size was valued at USD28.89 billion in 2021. The market is projected to grow from USD 29.86 billion in 2022 to USD 41.73 billion by 2029, exhibiting a CAGR of 4.9% during the forecast period. Europe has the biggest market for cosmetics in the world, which is a good place for new companies from developing countries to start.

- globenewswire.com, 7 Feb

China CPI inflation misses expectations in January, PPI worsens

Chinese consumer price inflation grew less than expected in January, data showed on Friday, as rising COVID-19 cases kept spending limited despite the lifting of most restrictions, while worsening factory inflation showed that the manufacturing sector remained under pressure. The consumer price index (CPI) grew at an annualized 2.1% in January, data from the National Bureau of Statistics showed, more than the 1.8% seen in December but below expectations of 2.2%. On a monthly basis, CPI inflation grew more than expected to 0.8%, improving sharply from the 0% reading seen in December.

- investing.com, 9 Feb

Malaysia's momentum picks up as economic outlook gradually improves: Economists

Malaysia's economy grows at the fastest pace in Southeast Asia, expanding 8.7 per cent in 2022. The 8.7% is also the country's fastest since 2000, although the pace in the fourth quarter (Q4) of 2022 slowed to 7.0 per cent from the blistering 14.2 per cent in the preceding quarter. While the growth is slower than the two previous quarters, economists agreed that the momentum was picking up for Malaysia as 2023 global outlook was gradually improving.

- nst.com.my, 11 Feb

Popularity of Chinese vehicles increases around the globe

Growing international demand for local electric car models sees export numbers surge. Chinese

carmakers are seeing their popularity rise in overseas markets, which may push the country's vehicle exports to a new high this year following a surge in 2022. Last year, carmakers exported 3.11 million vehicles, up 54.4 percent year-on-year, ranking China second only to Japan, according to the China Association of Automobile Manufacturers. This momentum has continued into 2023. They accounted for more than a quarter of its total deliveries in the month.

- chinadaily.com.cn, 13 Feb

Monthly U.S. inflation accelerates in January, annual figure 6.4%

Growth in consumer prices in the U.S. accelerated on a monthly basis in January, although the yearly pace slowed slightly, as policymakers at the Federal Reserve look for clues that its recent slew of interest rate hikes are working to quell inflation. Labor Department data showed that the consumer price index rose by a seasonally adjusted 0.5% from 0.1% in December, partly reflecting an uptick in energy prices. The core number, which takes out volatile items like energy and food, increased by 0.4%. Annually, prices for the month dipped to 6.4% from 6.5% in December - the seventh straight month of slowing expansion.

- investing.com, 14 Feb

U.S. manufacturing output surges in January

Production at U.S. factories rebounded in January, but output in the prior month was much weaker than initially thought amid higher borrowing costs that are hurting the manufacturing sector. Manufacturing output increased 1.0% last month, the Federal Reserve said. Data for December was revised down to show production at factories declining 1.8% instead of the previously reported 1.3%. Output gained 0.3% on a year-on-year basis in January. Manufacturing, which accounts for 11.3% of the U.S. economy, has seen demand for goods, usually bought on credit, undercut by higher interest rates.

- reuters.com, 15 Feb

U.S. retail sales roar back; manufacturing shows improvement

U.S. retail sales increased by the most in nearly two years in January after two straight monthly declines as Americans boosted purchases of motor vehicles and other goods, pointing to the economy's continued resilience despite higher borrowing costs. The Commerce Department said that retail sales surged 3.0% last month, the largest increase since March 2021, after declining by an unrevised 1.1% in December.

- reuters.com, 15 Feb

China car sales down sharply in January

New vehicle sales in China fell sharply in January 2023, by 35% to 1,649,000 units from 2,531,000 units a year ago, according to passenger car and commercial vehicle wholesale data from the China Association of Automobile Manufacturers (CAAM). According to CAAM, sales of passenger vehicles fell 33% to 1,469,000 units while commercial vehicle sales were down 48% at 180,000 units.

- just-auto.com, 15 Feb

IMF chief says growing signs global inflation subsiding

The International Monetary Fund (IMF) sees growing evidence that a global inflation spike that's triggered a cost-of-living crisis in many countries is subsiding, managing director Kristalina Georgieva says. "We see inflation finally trimming down in quite a number of countries," Georgieva told a conference in Dubai. "The chance of finally getting on top of the problem of cost of living being a major disrupter for millions and millions of people, we see light at the end of this tunnel."

- thestar.com.my, 16 Feb

Global light vehicle market down 8% in January

Latest data estimates put January's global light vehicle (LV) market annualised selling rate at 83 million units/year, broadly in line with the previous month. LMC Automotive (a GlobalData company) says that global supply constraints remain a key issue though distortions from tax changes also held back the global total last month. Monthly

registrations were down 8.0% year-on-year (YoY), at 6.0 million units for the month.

- just-auto.com, 16 Feb

China declares 'decisive victory' over Covid-19

China's top leaders declared a "decisive victory" over Covid-19, saying its efforts led to more than 200 million people getting medical treatment and the country having the world's lowest fatality rate. "With continuous efforts to optimise Covid-19 prevention and control measures since November 2022, China's Covid-19 response has made a smooth transition in a relatively short time," China's Politburo Standing Committee (PSC) remarked in a meeting.

- reuters.com, 16 Feb

Smallholders encouraged to produce latex to increase income

The Ministry of Plantation and Commodities (KPK) through the Malaysian Rubber Board (LGM) is implementing the latex production incentive (IPL) specifically to encourage rubber smallholders to produce latex. Deputy Prime Minister and Plantation and Commodities Minister Datuk Seri Fadillah Yusof said this programme would provide opportunities for rubber smallholders to increase income and encourage them to switch to producing latex instead of scrap rubber.

- newsarawaktribune.com.my, 16 Feb

IMF: China to be largest global growth contributor

China is likely to become the largest contributor to world growth in 2023 without driving up global inflation, an official at the International Monetary Fund said. Steven Barnett, IMF's senior resident representative in China, said the fund expects China to contribute about one-third of global growth this year, making the country the single largest contributor to global growth.

- chinadaily.com.cn, 17 Feb

Cambodia's rubber exports buck the trend, go up 60% in January

Amid the all-round decline in Cambodia's exports this January, rubber stood the ground by recording a 59.8% surge compared to the same period in 2022 and earned the country USD54 million, according to the latest trade data of the General Department of Customs and Excise (GDCE). The data showed that altogether Cambodia's exports registered a decrease of 14% in January 2023 compared to the same period in January 2022. For the garments, footwear and travel goods (GFT) sector, the biggest export earner for the country, it crossed 28%.

- khmertimeskh.com, 17 Feb

Jan 2023 Malaysian vehicle sales down by 35% – MAA

The Malaysian Automotive Association (MAA) has released vehicle sales data for the month of January 2023, announcing that a total of 49,461 vehicles were delivered to buyers last month. This is 27,196 units less than the all-time high monthly TIV of 76,657 units sold in December, or a 35.5% decrease in volume. Compared to the same month in 2022, however, January's total was 19.1% (or 7,928 units) higher than the 41,533 units achieved last year, where production cycles were still recovering from the disruption caused by floods that hit Shah Alam at the end of 2021.

- paultan.org, 17 Feb

China holds loan prime rate steady for sixth straight month

China kept its key loan prime rate unchanged at historical lows, as the country struggles to maintain a balance between supporting a fledgling economic recovery and keeping its yuan currency robust. The People's Bank of China (PBOC) held its one-year loan prime rate (LPR) at 3.65%, while the five-year LPR, which is used to determine mortgage rates, was maintained at 4.30%. Both lending rates were at their lowest in the past two decades.

- investing.com, 19 Feb

Government to establish MSNR guidelines to assist smallholders

The government is mulling over the idea of establishing the long-awaited Malaysian Sustainable Natural Rubber (MSNR) guideline soon. Deputy Prime Minister Datuk Seri Fadillah Yusof said the guideline, which was initially announced in 2020, should be ready by now. "The implementation would assist the rubber industry, especially the smallholders. "This is because 90% of them populates the local rubber production industry," said the Plantation and Commodities Minister.

- nst.com.my, 19 Feb

Thailand car production rises in January but local sales drop

Car production in Thailand rose 4.02% in January from a year earlier to 157,844 units, helped by higher exports, the Federation of Thai Industries said. Domestic sales, however, fell 5.58% in January from a year earlier, after December's 9% decline on-year, due to a lack of semiconductors in some car models, Surapong Paisitpattanapong, a spokesperson for FTI's automotive industry division told a news conference. Exports jumped 24.28% in January from a year earlier after December's 10.17% rise year-on-year, and shipments could reach 1.05 million vehicles this year, he said.

- reuters.com, 20 Feb

Budget 2023 will touch on plans for rubber smallholders, says DPM Fadillah

The government will strive to continue helping the rubber smallholders including the plans for this group under Budget 2023, said Deputy Prime Minister Datuk Seri Fadillah Yusof. Fadillah who is also Minister of Plantation and Commodities said Prime Minister Datuk Seri Anwar Ibrahim is expected to touch on the plans including for rubber smallholders when tabling Budget 2023.

- malaymail.com, 20 Feb

European new car sales up 10.7% in January

The number of new vehicles registered in the European Union, Britain and the European Free Trade Association (EFTA) grew by 10.7% to 911,064 units, the European Automobile

Manufacturers' Association (ACEA) said.

- reuters.com, 20 Feb

China and India to contribute more than half of global growth this year: IMF

The International Monetary Fund (IMF) said that India and China are expected to contribute more than half of global growth this year, with the rest of Asia contributing an additional quarter. Economists have turned bullish on China, with the country halting its Covid Zero policy and reopening in the second half of 2022. The Indian economy has also shown positive signs, with its growth being amongst the highest in the world over the last two years.

- economictimes.indiatimes.com, 21 Feb

Passenger EV sales in Malaysia will expand in 2023, says Fitch Solutions

Fitch Solutions Country Risk and Industry Research anticipates that passenger electric vehicles (EV) sales in Malaysia will expand in 2023, albeit from a low base, as a result of the implementation of incentives to encourage adoption. In a report, the firm said that according to its projections, sales of passenger EVs will rise by 82.0% in 2023, reaching a volume of roughly 5,840 units annually. "As more battery electric vehicles (BEVs) are introduced and give consumers more options, we predict that plug-in hybrid electric vehicles (PHEVs) will lose market share in 2023.

- theedgemarkets.com, 21 Feb

ANRPC Releases Monthly NR Statistical Report, January 2023

In 2023, the outlook of global natural rubber (NR) market is anticipated to reach 14.693 million tons for production while consumption is projected at 14.738 million tons. The global production is expected to produce 1.32 million tonnes of NR; while the projected global demand of NR amounted to 1.048 million tonnes based on the preliminary estimates from ANRPC member countries.

- anrpc.org, 21 Feb

U.S. business activity rebounds to eight-month high in February- S&P Global survey

U.S. business activity unexpectedly rebounded in February, reaching its highest level in eight months, according to a survey, which also showed inflation subsiding. S&P Global said its flash U.S. Composite PMI Output Index, which tracks the manufacturing and services sectors, increased to 50.2 this month from a final reading of 46.8 in January.

- reuters.com, 21 Feb

Japan manufacturers gloomy as global slowdown hurts

Big manufacturers in Japan remained gloomy in February and the service-sector mood slid for a second straight month, a Reuters' poll showed, a sign that the global slowdown is holding back the country's recovery from COVID-induced economic doldrums. The monthly Reuters Tankan, which closely tracks the Bank of Japan's (BOJ) key tankan quarterly survey, found the sentiment index for big manufacturers stood at -5 in February, little changed from the prior month's -6. The mood in the service sector slid for a second straight month to 17, down from a three-year high of +25 seen in December and underlining concerns about private consumption, which accounts for more than half the Japanese economy.

- reuters.com, 21 Feb

Euro zone business growth at 9-month high as services supports -flash PMI

Surprisingly strong services growth meant the recovery in euro zone business activity gathered steam this month, expanding much faster than thought, according to a survey on Tuesday, the latest evidence the currency union could escape a recession. S&P Global's flash Composite Purchasing Managers' Index (PMI) for the 20 countries that use the euro, seen as a good gauge of the bloc's overall economic health, climbed to a nine-month high of 52.3 in February from January's 50.3.

- reuters.com, 21 Feb

Fed minutes show officials mulled financial stability risk amid aggressive hikes

At their last monetary policy meeting, Federal Reserve officials mulled financial stability risks that existed in part due to their aggressive campaign of rate rises, as they also expressed concern over the political fight among elected officials over raising the country's debt limit. At the Federal Open Market Committee meeting held on 31st January -1st February, officials flagged what they saw as potential vulnerabilities in things like commercial real estate and non-bank financial companies, according to meeting minutes released.

- reuters.com, 22 Feb

Global debt sees first annual drop since 2015 – IIF

The post-pandemic rebound in world growth and inflation last year meant the amount of debt sloshing around the global economy saw its first annual fall in dollar terms since 2015, a widely tracked study has shown. The Institute of International Finance (IIF) report published estimated that the nominal value of global debt declined by some USD4 trillion, bringing it fractionally back under the USD300 trillion threshold breached in 2021. With borrowing costs on the rise, particularly for emerging markets, the retrenchment was driven entirely by wealthier countries though, which as a group saw total debt decline roughly USD6 trillion to USD200 trillion.

- reuters.com, 22 Feb

Economists urge China to think 'beyond GDP' to head off climate risks

A team of influential economists has urged China to adopt a new development model based on "wellbeing" rather than GDP growth in order to fulfil its 2060 net-zero emissions goals and head off the mounting threats of climate change. In a report published, the team - which includes two former chief economists of the World Bank - also called on China to cap total fossil fuel consumption and establish a detailed "pathway" for reducing emissions.

- reuters.com, 22 Feb

EU deforestation law 'could marginalise rubber growers'

The EU is introducing anti-deforestation regulations to force all stakeholders in the rubber & tire value-chain to clarify whether or not any of the natural rubber being supplied, traded or used is linked to deforestation. As such, the European law is "positive": as it encourages buyers to take and cascade responsibilities across the entire complex value-chain, according to Paris-based sustainability consultancy Ksapa, in written comments to ERJ.

- european-rubber-journal.com, 22 Feb

RM446 million channeled to rubber smallholders under incentive scheme since 2015

The Federal Government has channeled RM446 million to 207,128 rubber smallholders nationwide through the Rubber Production Incentive (IPG) scheme from September 2015 to Dec 31, 2022, said Deputy Prime Minister Datuk Seri Fadillah Yusof. Fadillah, who is also the Plantation and Commodities Minister, said the incentive was introduced to ease the burden of smallholders when rubber prices were low and encourage them to continue tapping.

- theborneopost.com, 22 Feb

Ukraine war's impact on trade not as bad as expected: WTO

Global trade grew more than expected last year despite the upheaval caused by the Russia-Ukraine war, as badly-affected countries managed to switch suppliers or products, the World Trade Organization (WTO) said. The global trade watchdog had forecast just 3% growth for 2022 as the conflict caused major disruptions to exports including wheat and fuels. However, WTO Chief Economist Ralph Ossa, presenting its latest analysis of the war's impact on trade, said global trade had "held up well".

- reuters.com, 23 Feb

U.S. labor market resilient; inflation hotter in fourth quarter

The number of Americans filing new claims for unemployment benefits unexpectedly fell last week, pointing to a persistently tight labor market,

and further fueling fears that the Federal Reserve could raise interest rates higher than anticipated. Initial claims for state unemployment benefits decreased 3,000 to a seasonally adjusted 192,000 for the week ended Feb. 18, the Labor Department said. Economists polled by Reuters had forecast 200,000 claims for the latest week.

- reuters.com, 23 Feb

Euro zone inflation marginally higher in Jan; core also lifted

Euro zone inflation was only a touch higher in January than earlier estimated, Eurostat said, confirming that price growth is now well past its peak, even if underlying price pressures still show no signs of abating.

Consumer price inflation in the 20 nations sharing the euro eased to 8.6% in January from 9.2% a month earlier, coming in just above the 8.5% estimated earlier this month, when figures from Germany, the bloc's biggest economy, were not yet included.

- reuters.com, 23 Feb

Singapore's January core inflation rises 5.5%, fastest in 14 years

Singapore's key consumer price gauge rose 5.5% in January, the fastest pace in more than 14 years but slightly lower than forecast, leaving analysts split over the direction of the central bank's monetary policy this year. The core inflation rate - which excludes private road transport and accommodation costs - topped the 5.1% rise in December, according to the Monetary Authority of Singapore (MAS).

- thestar.com.my, 23 Feb

U.S. inflation accelerates in January, consumer spending surges

U.S. consumer spending rebounded sharply in January amid strong income growth, while inflation accelerated, which could add to financial markets fears that the Federal Reserve could continue raising interest rates through summer. The personal consumption expenditures (PCE) price index, tracked by the Federal Reserve for monetary policy, shot up 0.6% last month after gaining 0.2% in December. In the 12 months through January, the PCE price index

accelerated 5.4% after rising 5.3% in December.

- reuters.com, 24 Feb

Vietnamese Rubber exports to U.S. fell sharply in January

The average price of exported Vietnamese rubber to the U.S. stood at USD1,227 per tonne, representing a fall of 7.9% against December 2022, and a decline of 26.9% over January 2022. Last year, Vietnam mainly shipped natural rubber (NR) to the U.S., of which SVR 3L accounted for 33.18% of the total, followed by Latex and SVR CV60. The United States International Trade Commission reported last year the U.S. imported 2.03 million tonnes of rubber coded HS 4001, 4002, 4003, and 4005 worth USD4.7 billion, up 4.9% in volume and 16.4% in value compared to 2021. Vietnam makes up the fifth largest supplier of natural rubber to the U.S. with 34,080 tonnes worth USD58.77 million, down 21% in volume and 22.1% in value.

- english.vov.vn, 24 Feb

Thai farmers tap into sustainable rubber industry

By the light of a head torch, Wanida Hityim deftly strips bark from a rubber tree, collecting the milky latex as she explains why she's among a small number of Thai farmers trying to work more sustainably. As the world's largest producer of natural rubber - supplying more than a third of global stocks in 2021 - Thailand's policies have stimulated massive deforestation, plummeting biodiversity and soaring soil erosion.

- japantimes.co.jp, 25 Feb

Coffee, rubber and many others affected by new EU policies on anti-deforestation

Around 90% of deforestation in the world is currently provoked by the expansion of agricultural land, according to a report from the European Union. This is one of the main reasons why the EU is enforcing regulations on trade in legal and "deforestation-free" commodities and products. Việt Nam, one of the EU's main importers of forestry-based products, is facing great challenges in adapting to these new policies.

- vietnamnet.vn, 25 Feb

EU sanctions synthetic rubber, carbon black imports from Russia

The European Union (EU) has included sanctions on imports of both synthetic rubber (SR) and carbon blacks from Russia in its 10th package of sanctions in response to the Putin regime's war on Ukraine. The decision, announced 25th Feb, introduces import quotas of 562,973 tonnes for SR and 752,475 tonnes for carbon black, apparently with immediate effect.

- *europa-rubber-journal.com*, 27 Feb

Income, spending in China grew far slower in 2022

Income per capita in China grew by just 2.9% in real terms over 2022, after increasing by 8.1% a year earlier, returning to a growth rate similar to that of 2020 when China was battling COVID and introducing sweeping lockdowns and other restrictions. Per capita spending also decreased by 0.2% in real terms, according to data published by the National Bureau of Statistics (NBS) in its annual statistical communique. Income per capita in China grew to 36,883 yuan (USD5,310) over 2022, while spending per capita increased to 24,538 yuan (USD3,533), the NBS said.

- *theedgemarkets.com*, 28 Feb

Japan's factory output posts biggest fall in 8 months on weak autos, chips sectors

Japan's factory output shrank at the fastest pace in eight months in January as declining overseas demand took a heavy toll on key industries such as auto and semiconductor equipment. Factory output fell 4.6% in January from a month earlier on a seasonally adjusted basis, government data showed. The contraction was much larger than economists' median forecast of a 2.6% decline and followed an upwardly revised 0.3% increase in December.

- *reuters.com*, 28 Feb

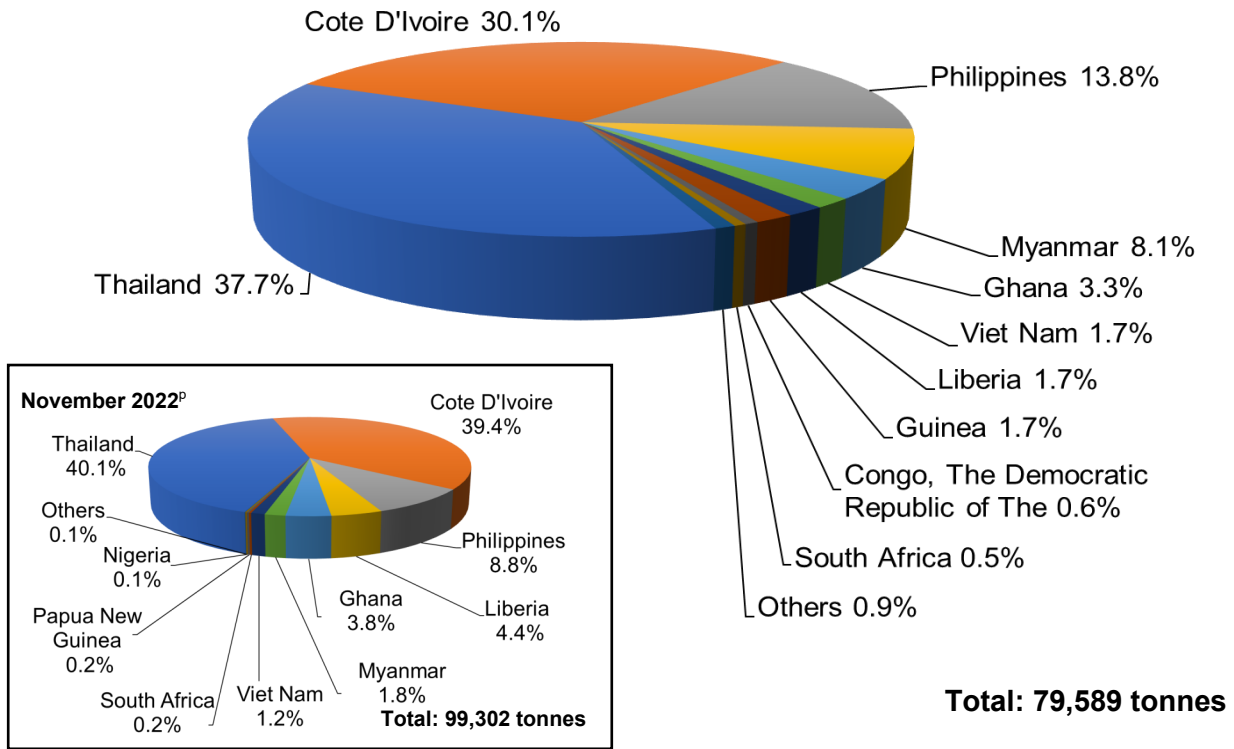
China's uneven recovery continues with industrial sector lagging

China's economy rebounded in February after the long holiday, although early indicators point to an uneven recovery with strong consumption following the scrapping of Covid rules but lagging

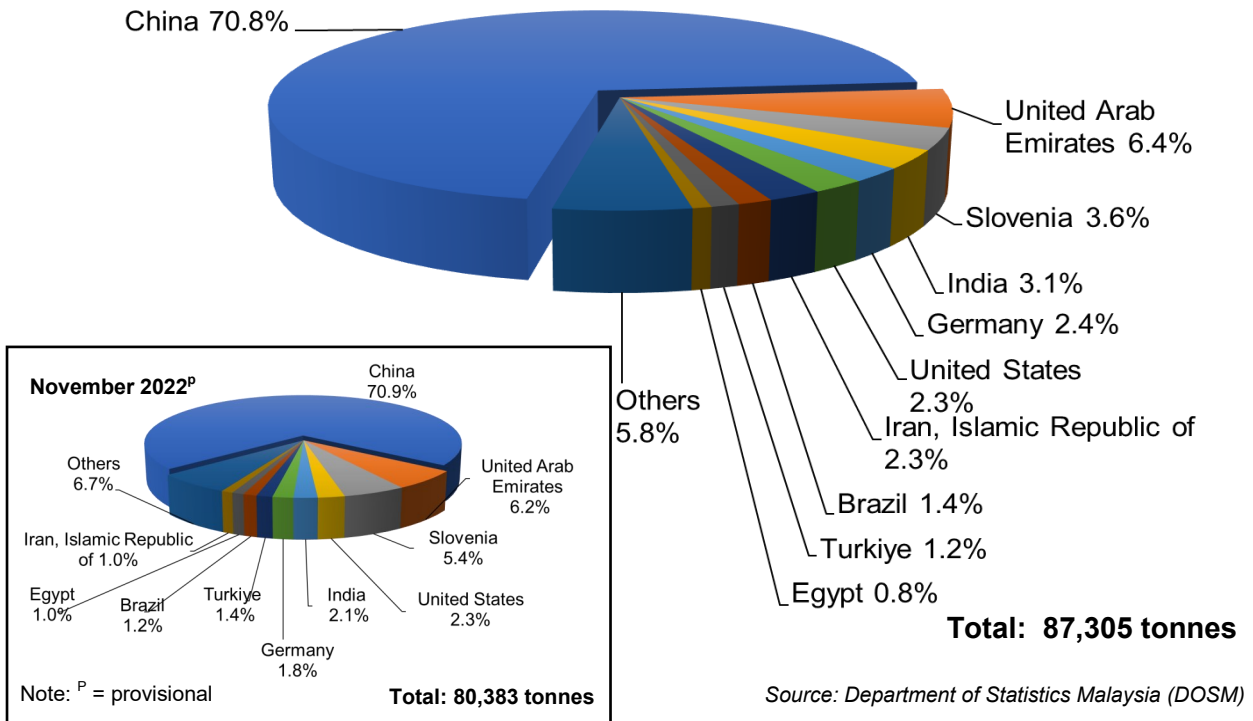
industrial activity. That's according to Bloomberg's aggregate index of eight early indicators, which showed growth momentum this month maintained the pace seen in January, with the overall gauge staying unchanged at 4. The economy slowed at the end of 2022 as the Covid spread around the country, before beginning to pick up last month.

- *thestar.com.my*, 28 Feb

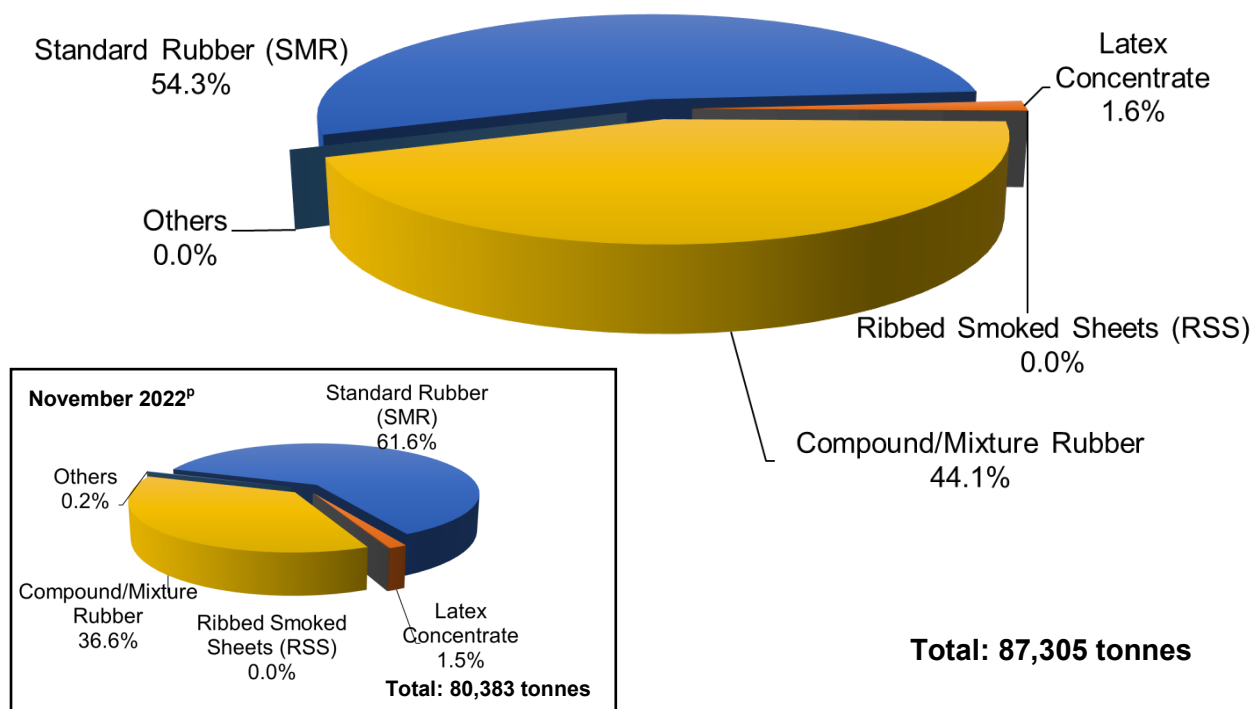
Malaysia's Imports of NR by Countries of Origin, December 2022^P



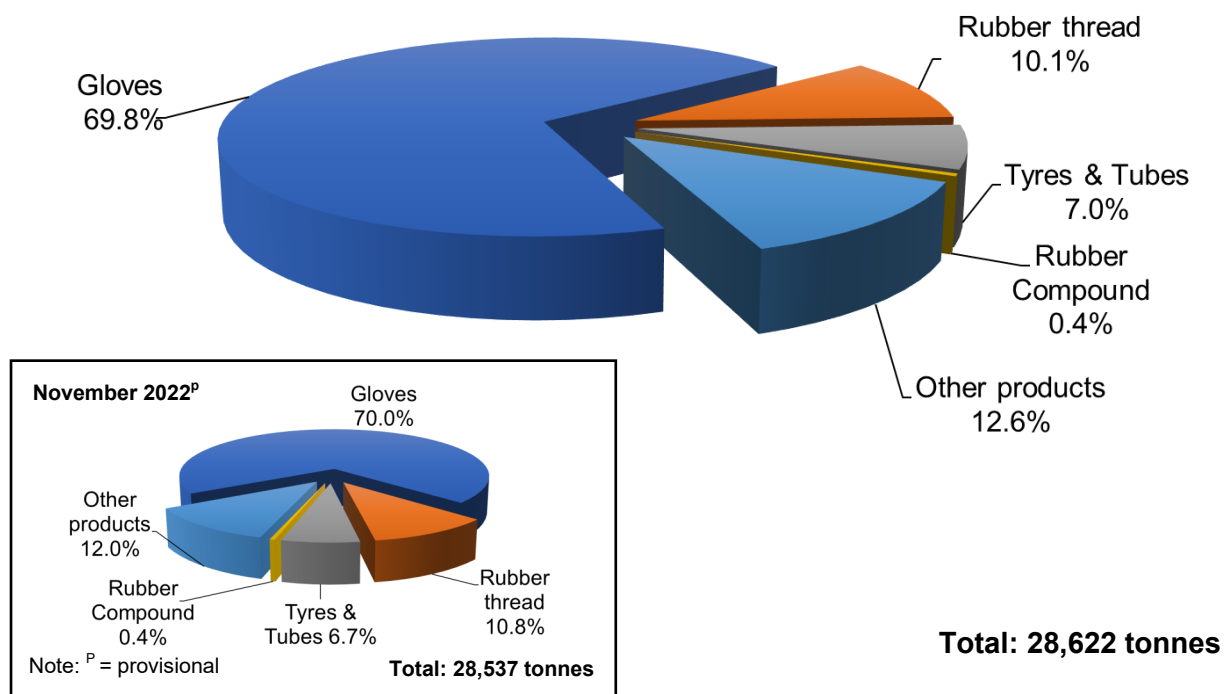
Malaysia's NR Exports by Countries, December 2022^P



Malaysia's NR Exports by Types, December 2022^P



Malaysia's NR Consumption by Product Sectors, December 2022^P



Source: Department of Statistics Malaysia (DOSM)

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