



MALAYSIAN RUBBER BOARD

DIGEST

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Natural Rubber Market Review

June

The Kuala Lumpur rubber market was generally weaker in June before a short-lived recovery after mid-month. The market was pressured by the slowdown in the Chinese economic recovery from COVID-19 coupled with a spike of COVID-19 cases in Asia. Nevertheless, the positive factors that supported the market throughout the month included brighter economic outlook, optimism on U.S.-China trade talks, gains in crude oil prices coupled with tighter natural rubber (NR) supply. Compared with those on 31 May 2021, the price of SMR 20 was down by 29.0 sen/kg or 4.2% to close at 656.50 sen/kg. Meanwhile, latex concentrate closed at 520.50 sen/kg, a decrease of 117.50 sen/kg or 18.4 percent. Price movements of selected grades of rubber in June 2021 are shown in Table 1.

The declines observed in June were brought by weaker advice in the regional rubber futures markets due to high COVID-19 cases reported in Asian countries and weaker economic data reported by China. China's retail sales in May rose 12.4%, missing expectations despite government efforts to boost spending.

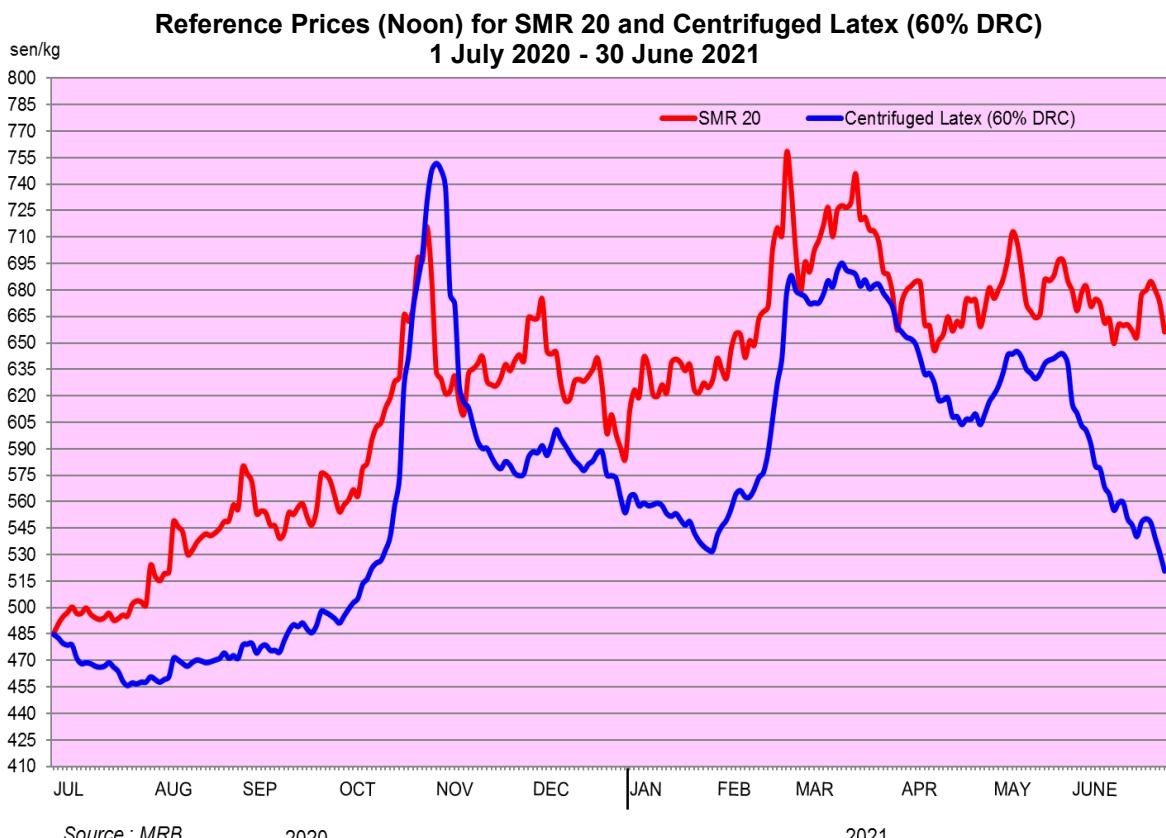
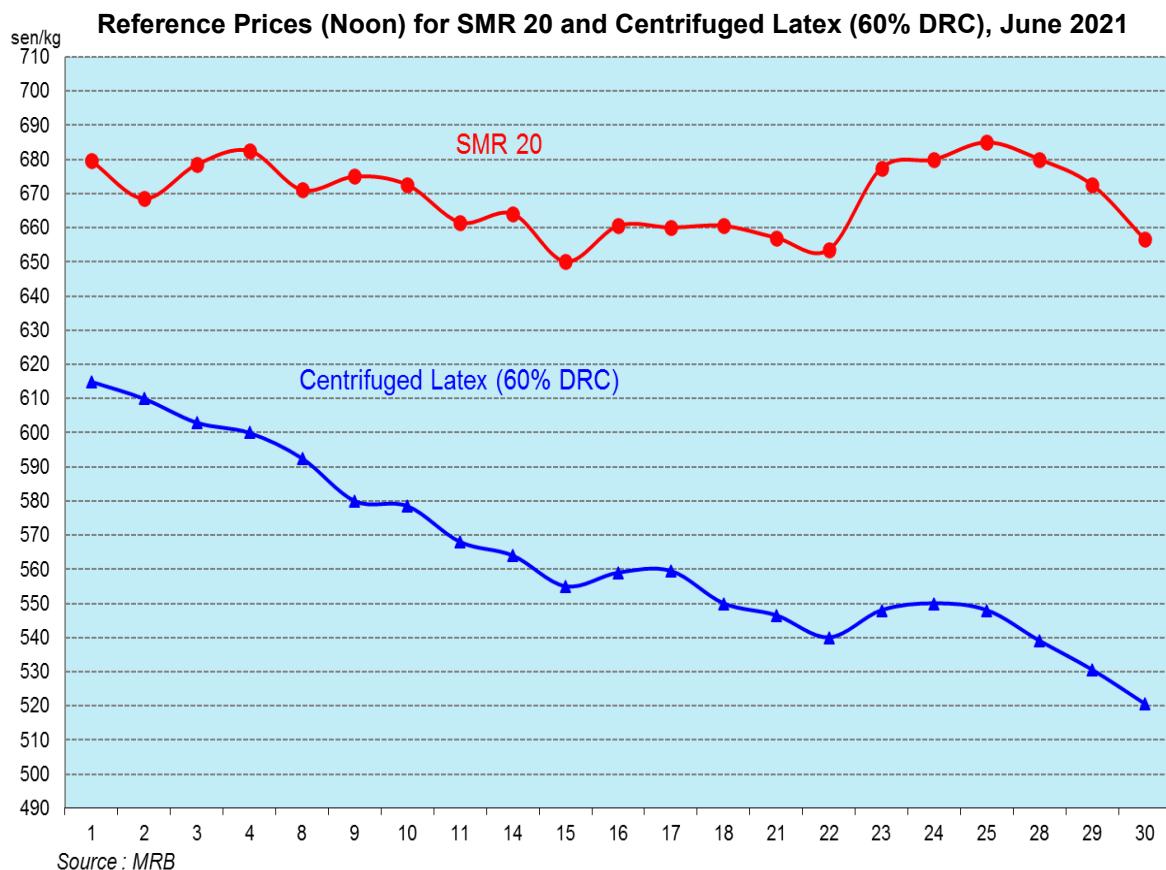
Furthermore, the National Bureau of Statistics (NBS) reported that growth in China's factory output slowed for a third straight month in May, likely due to disruptions caused by COVID-19 outbreaks in southern export powerhouse of Guangdong. China's industrial firm profit also slowed again in May to 36.4% from 57% in April. In addition, China's official manufacturing PMI released by the National Bureau of Statistics (NBS) fell to 50.9 in June from 51 in May, as high raw material costs and port disruptions in Guangdong province affected business activity. Market players also reacted negatively to losses in the global equities markets due to the U.S. Federal Reserve's surprise shift towards a faster tightening of the monetary policy. Losses in crude oil prices further weighed on investor's sentiment. Earlier in June, oil prices were pressured by concerns about the patchy roll-out of anti-COVID-19 vaccinations, a stronger U.S. dollar coupled with the fragile state of the global recovery in demand for crude oil after China's oil imports fell in May.

Nevertheless, further losses were capped by the bullish sentiments brought by brighter prospects of the global economic developments. In China, multiple provincial-level regions of China increased their minimum wage standards since the beginning of 2021 as the economy recovers

Table 1: Reference Prices (Noon) of SMR CV, SMR 20 and Centrifuged Latex (60% DRC), June 2021

	SMR CV		SMR 20		Centrifuged Latex (60% DRC)	
	sen/kg	RM/tonne	sen/kg	RM/tonne	sen/kg	RM/tonne
Highest	1,045.00	10,450.00	685.00	6,850.00	615.00	6,150.00
Lowest	887.50	8,875.00	650.00	6,500.00	520.50	5,205.00
Average	961.00	9,610.00	668.86	6,688.60	564.62	5,646.20
Change from the last day of the previous month	-196.00	360.00	-29	-290.00	-117.50	-1,175.00

Source: Malaysian Rubber Board (MRB)



further from the COVID-19 impact. China Association of Automobile Manufacturers (CAAM) reported that China's auto sales fell 3% year-on-year (y-o-y) in May to 2.13 million units but rose 36.6% y-o-y to 10.88 million units from January-May. CAAM expects 2021 auto sales to rise 6.5% y-o-y. Easing lockdown measures prompted the recovery of U.S. and Eurozone business activities in June. The flash U.S. manufacturing PMI of IHS Markit rose to 62.6, the highest since October 2009. Meanwhile, Euro zone business growth accelerated at its fastest pace in 15 years with IHS Markit's Flash Composite Purchasing Managers' Index jumped to 59.2 as demand unleashed. The Global Economic Prospects released by the World Bank expected the 2021 global and China GDP to expand 5.6% and 8.5% respectively. Market also welcomed the progress of U.S.-China trade talks. Top U.S. and Chinese commerce officials spoke twice in June by telephone and agreed to promote healthy trade and cooperate over differences. Market players reacted to gains in regional rubber futures markets that tracked global equities market after the U.S. Federal Reserve decided to carry forward its projections for interest rate hikes into 2023 and as U.S. President Joe Biden struck a USD 1.2 trillion infrastructure deal. In addition, gains in crude oil prices further supported the market after a bigger-than-expected drawdown in U.S. crude and gasoline stocks and on doubts about the future of the 2015 Iran nuclear deal. The heads of top energy companies also forecasted that benchmark oil prices could hit USD 100 a barrel. The market was also lifted by decreased NR supply and a weaker ringgit against the U.S. dollar. According to the Department of Statistics Malaysia (DOSM), Malaysia's production of natural rubber (NR) in April 2021 declined 33.5% y-o-y to 23,013 tonnes and 36.2% month-on-month (m-o-m) due to wintering period which causes the tree to be less productive. Meanwhile, NR stocks also decreased 7.9% to 259,355 tonnes (m-o-m). Meanwhile, the ringgit continued weakening against the U.S. dollar in June 2021 at RM4.1140 - RM4.1660, compared with RM4.1020 - RM4.1435 in May 2021.

Outlook

Prices are expected to be sustained at current levels supported by a brighter global economic outlook, from vaccination and easing of COVID-19 lockdown measures especially in the United States and Eurozone. Market is set to be supported by tighter NR supply in some parts of

the natural rubber producing countries due to COVID-19 restrictive measures. According to the Association of Natural Rubber Producing Countries (ANRPC) in its Natural Rubber Trends, May 2021 released on 14 June 2021, the world production of NR in 2021 is anticipated to grow at 5.8%, y-o-y, to 13.812 million tonnes while world demand of NR is estimated at 6.7% growth to 13.679 million tonnes. Prices are also expected to be influenced by the movement of ringgit, crude oil prices and regional rubber futures markets. Market players will also be monitoring the progress of global economy recoveries, monetary policies by global governments, progress of U.S.-China trade talks and COVID-19 vaccination rates.

News Briefs

World economic and health leaders call for USD50 billion from wealthy nations to help stop Covid pandemic

Global economic and health leaders called on the world's wealthier nations to provide USD50 billion in funding to accelerate COVID-19 vaccine distribution across the planet and help end the pandemic. The heads of the International Monetary Fund (IMF), World Bank, World Health Organization (WHO) and World Trade Organization (WTO) said that nations need to act before the virus has a chance to spread throughout unvaccinated countries and evolve into more dangerous new variants.

- [cnbc.com, 1 June](https://www.cnbc.com/2021/06/11/world-leaders-call-for-usd50-billion-to-fight-covid.html)

Natural rubber output up a tad despite Covid shutdown

India's natural rubber (NR) production increased a tad during the 2020-21 fiscal despite the shutdown due to the COVID-19 pandemic but consumption dropped as a result. This also led to lower imports last fiscal. Despite a trying first quarter in the last fiscal, NR production increased to 7.15 lakh tonnes (lt) compared with 7.12 lt in 2019-20. The rise came after the production in the first quarter dropped by 41,000 tonnes to 82,000 tonnes (1.23 lakh tonnes). NR consumption declined to 10.96 lt against 11.34 lt in 2019-20.

- [thehindubusinessline.com, 1 June](https://www.thehindubusinessline.com/economy/natural-rubber-output-up-a-tad-despite-covid-shutdown/article3400333.ece)

MCO 3.0: Rubber glove manufacturers ensure no severe PPE items shortage

The Malaysian Rubber Gloves Manufacturers Association (MARGMA) has assured that its members will cope to ensure there is no severe shortage of important personal protective equipment (PPE) items worldwide even with the 60% workforce ruling due to the movement control order (MCO) 3.0. President Supramaniam Shanmugam said the current lead times on delivery would be slightly longer as Malaysian manufacturers produce 67% of global supply.

- *malaymail.com*, 1 June

U.S. Treasury Secretary Yellen and China's vice premier talk about cooperation and economic recovery

China's Vice Premier Liu He and U.S. Treasury Secretary Janet Yellen spoke for the first time since President Joe Biden took office. Both the U.S. and China said the two leaders talked about the economy and cooperation, and "frankly" discussed issues of concern. Yellen discussed the Biden administration's plans to "support a continued strong economic recovery and the importance of cooperating on areas that are in U.S. interests," the Treasury said in a statement.

- *cnbc.com*, 1 June

OPEC+ sticks to plan to ease supply cuts to July

Members and allies of the Organization of Petroleum Exporting Countries (OPEC), commonly referred to as OPEC+, agreed to stick to a plan to gradually ease supply curbs - but wouldn't say if that commitment would go beyond July. With demand now bouncing back in the U.S. and China, the world's two biggest economies, prices have risen in tandem. U.S. crude oil prices have surged 40% so far this year. OPEC+ is set to meet again on 1st July.

- *yahoo.com*, 2 June

Global economy will still be 23 million jobs short next year

The COVID-19 pandemic will cause a "sustained and pronounced increase in unemployment" with low- and middle-income countries that have lagged behind in vaccinations suffering the

biggest blow, according to the International Labor Organization (ILO). The ILO fears not enough jobs will be created to accommodate those who lost employment as a result of Covid-19, plus new labour-market entrants. The global shortfall is estimated to be 75 million this year, and 23 million in 2022.

- *bloomberg.com*, 2 June

Ivory Coast Jan-April 2021 rubber exports down 9% year-on-year

Ivory Coast exported 351,719 tonnes of natural rubber (NR) from January to April, down 9% from the same period in 2020, provisional port data showed on Thursday. Ivory Coast, the world's top cocoa producer, is also Africa's leading grower of natural rubber. Exports have risen in recent years as farmers, attracted by the promise of more stable incomes, have increasingly switched to rubber from cocoa and coffee.

- *reuters.com*, 3 June

IMF and World Bank urge G7 to release surplus vaccines

The heads of the International Monetary Fund (IMF) and World Bank urged the Group of Seven (G7) advanced economies to release any excess Covid-19 vaccines to developing countries as soon as possible and called on manufacturers to ramp up production. In a joint statement to the G7, IMF Managing Director Kristalina Georgieva and World Bank President David Malpass also called on governments, pharmaceutical companies and groups involved in vaccine procurement to boost transparency about contracting, financing and deliveries.

- *reuters.com*, 4 June

China May trade surplus with U.S. at USD31.78 billion

China's trade surplus with the United States stood at USD31.78 billion in May, Reuters calculations based on Chinese customs data showed, up from a USD28.11 billion surplus in April. For the first five months of 2021, China's trade surplus with the United States stood at USD132.46 billion, compared with a USD100.68 billion surplus in January-April.

- *reuters.com*, 6 June

China's imports grow at fastest pace in decade as materials prices surge

Imports increased 51.1% on year last month in dollar terms, the fastest growth since January 2011 but slower than the 51.5% rise tipped by the Reuters poll. China's exports in dollar terms in May grew 27.9% from a year earlier, slower than the 32.3% growth reported in April and missing analysts' forecast of 32.1%.

- *reuters.com, 7 June*

World Bank global economic prospects

The global economy is expected to expand 5.6% in 2021, the fastest post-recession pace in 80 years, largely on strong rebounds from a few major economies. However, many emerging market and developing economies continue to struggle with the COVID-19 pandemic and its aftermath, the World Bank says in its June 2021 Global Economic Prospects.

- *worldbank.org, 9 June*

China's May factory gate prices rise at fastest pace in over 12 years

China's factory gate prices rose at their fastest annual pace in over 12 years in May due to surging global commodity prices and a low base of comparison, while consumer prices increased for the third straight month but at a slower-than-expected rate. The producer price index (PPI) increased 9.0% from a year earlier, the National Bureau of Statistics (NBS) said in a statement, driven by significant price increases in, iron ore and non-ferrous metals. NBS data also showed China's consumer price index (CPI) rose 1.3% in May in annual terms, the biggest increase in eight months. That was still slower than analysts' forecast for a 1.6% increase, after a 0.9% gain in April.

- *investing.com, 9 June*

Rubber processing chemicals market size worth USD7.84 billion by 2028

The global rubber processing chemicals market size is expected to reach USD 7.84 billion by 2028 according to a new study conducted by Polaris Market Research. the market is anticipated to register a compound annual growth

rate (CAGR) of 5.3% From 2021 – 2028.

- *prnewswire.com, 9 June*

U.S. retail sales estimated to hit up to USD4.56 trillion in 2021

The National Retail Federation (NRF) raised its growth expectations for U.S. retail sales in 2021 to between 10.5% and 13.5%, as more Americans get inoculated and the economy reopens at a more accelerated pace than previously predicted. The trade group now expects annual U.S. retail sales of between USD4.44 trillion and USD4.56 trillion, from its previous estimates, issued in February, of between 6.5% and 8.2%, or more than USD4.33 trillion.

- *reuters.com, 10 June*

China, U.S. commerce chiefs to cooperate on handling differences, Beijing says

Top U.S. and Chinese commerce officials spoke by telephone and agreed to promote healthy trade and cooperate over differences, China's commerce ministry said, the latest high-level exchange as the countries spar over disagreements. Both sides recognise the importance of business exchanges and will keep lines of communication open, the Chinese statement said after Commerce Minister Wang Wentao spoke with U.S. Commerce Secretary Gina Raimondo.

- *investing.com, 10 June*

China's auto sales fell 3% in May, first drop in 14 months

Vehicle sales in China fell 3% in May from the same month a year earlier, snapping a streak of 13 consecutive months of gains since April 2020, industry data showed. Overall sales in the world's biggest car market totaled 2.13 million vehicles in May, data from the China Association of Automobile Manufacturers (CAAM) showed. China sold 10.88 million vehicles between January and May, up 36% from the same period a year earlier.

- *thestar.com.my, 11 June*

ANRPC Releases Natural Rubber Trends May 2021

Based on the preliminary estimates up to May 2021, the world production of natural rubber (NR) in 2021 is anticipated to grow at 5.8%, year-on-year (y-o-y), to 13.812 million tonnes; while world demand of NR is estimated at 6.7% growth to 13.679 million tonnes in the same reference period. This revised outlook has projected a relatively balanced global NR market for the prevailing year. Despite solid post-pandemic recovery led by two giant economies, China and United States, managing pandemic with low infection rate is still key for smooth recovery for all countries. The high broken records daily infection cases in some of the Association of Southeast Asian Nations (ASEAN) countries may have given indirectly impact to the rubber economy through the various covid-19 restriction measures to contain the pandemic.

- anrpc.org, 14 June

IMF eyes new trust to provide aid to broader group of countries

The International Monetary Fund (IMF) is exploring creation of a new trust that could allow its members to lend their IMF reserves to more countries, including middle-income countries vulnerable to climate change, IMF chief Kristalina Georgieva said. Georgieva said leaders of the Group of Seven rich economies had given the IMF a 'green light' to keep working on the plan, and China - the world's second largest economy - had also expressed interest, along with middle-income countries that stand to benefit from such a fund.

- reuters.com, 14 June

Production of natural rubber decreased 33.5 per cent in April 2021

Production year-on-year (y-o-y) declined 33.5% in April 2021 to 23,013 tonnes as compared to 34,616 tonnes in April 2020. This was due to the seasonal factor (wintering period) which causes the tree to be less productive. Month-on-month (m-o-m) comparison also showed a decrease by 36.2%. The stocks of natural rubber (NR) decreased 7.9% in April 2021 to 259,355 tonnes as compared to 281,729 tonnes in March 2021. Rubber processors accounted for 90.3% followed by rubber consumer (9.6%) and rubber estates (0.1%). The decline in stocks was also influenced

by factors at the supply level. Thus, the existing stocks was used to accommodate the reduction in production.

- dosm.gov.my, 15 June

China central bank injects 200 billion yuan through medium-term loans

China's central bank rolled over maturing medium-term loans while keeping the interest rate unchanged for the 14th month in a row. The People's Bank of China (PBOC) said it was keeping the rate on 200 billion yuan (USD31.27 billion) worth of one-year medium-term lending facility (MLF) loans to some financial institutions steady at 2.95% from previous operations.

- reuters.com, 15 June

U.S. manufacturing output accelerates in May on autos

Production at U.S. factories increased more than expected in May as motor vehicle output rebounded, but shortages of raw materials and labor continue to cast a shadow over the manufacturing industry. Manufacturing output accelerated 0.9% last month after dipping 0.1% in April, the Federal Reserve said.

- reuters.com, 15 June

Japan exports jump most in 41 years, machine orders rise

Japan's exports rose at the fastest pace since 1980 in May and a key gauge of capital spending grew, helping the world's third largest economy offset sluggish domestic demand as COVID-19 vaccinations boost business activity in key markets. Ministry of Finance data showed exports grew 49.6% year-on-year in May, versus a 51.3% increase expected by economists in a Reuters poll, led by U.S.-bound car shipments. The jump followed a 38% rise in April and marked the sharpest monthly increase since April 1980, when shipments surged 51.4%.

- reuters.com, 15 June

Global rubber group sets grievance procedures

An international program aimed at improving the sustainability of the natural rubber (NR) industry is creating a new way to consider complaints. The Global Platform for Sustainable Natural Rubber (GPSNR), which includes more than a dozen tire makers, describes the effort as "the NR industry's first ever grievance mechanism." The idea is to provide a way to address concerns about members.

- tirebusiness.com, 15 June

Vaccines will be the 'most important' economic policy this year, says IMF chief

Vaccine policy will trump all other economic policies this year as the world tries to recover from the coronavirus crisis, Kristalina Georgieva, the head of the International Monetary Fund (IMF) said at CNBC's Global Evolve Summit. "Vaccine policy this year, probably next year, is going to be the most important economic policy, may beat even monetary and fiscal policy in terms of significance," Georgieva told CNBC's Geoff Cutmore.

- theedgemarkets.com, 16 June

China's economy has not recovered 100% from Covid, says former central bank advisor

China's policymakers are "overly aggressive" in containing debt levels, a leading Chinese economist told CNBC, while acknowledging that the economy has not completely recovered from the pandemic. "Overall, I would say the economy, the Chinese economy is not 100% back to normalcy. I would say 90% back to normalcy," Li Daokui, an economics professor at Tsinghua University, told Martin Soong during the virtual CNBC Evolve Global Summit.

- cnbc.com, 16 June

China's factory output, miss expectations in May

Growth in China's factory output slowed for a third straight month in May, likely weighed down by disruptions caused by COVID-19 outbreaks in the country's southern export powerhouse of

Guangdong. Chinese industrial production rose 8.8% in May from a year ago, slower than the 9.8% uptick in April, National Bureau of Statistics (NBS) data showed, missing a 9.0% on-year rise forecast by analysts from a Reuters poll.

- investing.com, 16 June

Fed signals higher rates in 2023, bond-buying taper talks as virus fades

The Federal Reserve began closing the door on its pandemic-driven monetary policy as officials projected an accelerated timetable for interest rate increases, opened talks on how to end crisis-era bond-buying, and said the 15-month-old health emergency was no longer a core constraint on U.S. commerce. Signaling that broad changes in policy may happen sooner than expected, U.S. central bank officials moved their first projected rate increases from 2024 into 2023, with 13 of 18 policymakers foreseeing a "liftoff" in borrowing costs that year and 11 seeing two quarter-percentage-point rate increases.

- theedgemarkets.com, 17 June

Japan manufacturers remain optimistic in June

Business confidence levels of Japanese manufacturers and service sector firms were little changed in June from the prior month, highlighting the fragile and uneven state of the country's coronavirus recovery, a Reuters survey showed. The Reuters Tankan sentiment index for manufacturers edged up to 22 from 21 in May, while the mood in the service sector was more dour. The service index was flat, down from 2 the prior month, the poll conducted 3rd -14th June showed.

- thestar.com.my, 17 June

Raw material commodity prices continue rising amid stronger demand

Natural rubber (NR) prices averaged 70% higher in May (y/y), when numerous tyre manufacturing facilities closed in response to mobility restrictions and weak auto demand (two-thirds of NR is used in tyre manufacturing). The recovery of the global auto sector, which began in the last quarter of 2020, has boosted demand for NR. Global natural rubber consumption grew by 160,000 metric tonnes in 2020Q4 (y/y), or 5%, led by

recovery in China's tyre manufacturing. On the supply side, there are still problems with labor availability in some countries (e.g., Thailand) due to border restrictions on labor movement. NR prices are expected to average 30% higher in 2021, compared to 2020, before stabilizing in 2022.

- blogs.worldbank.org, 17 June

U.S. labor market healing despite unexpected rise in weekly jobless claims

The number of Americans filing new claims for unemployment benefits increased last week for the first time in 1-1/2 months, but layoffs are easing amid a reopening economy and a shortage of people willing to work. Initial claims for state unemployment benefits rose 37,000 to a seasonally adjusted 412,000 for the week ended 12th June, the Labor Department said. That was the first increase since late April. Economists polled by Reuters had forecast 359,000 applications for the latest week.

- [reuters.com](https://www.reuters.com), 17 June

China auto sales may rise faster than expected

Vehicle sales in the world's largest car market could rise 6.5% this year from 2020, larger than the 4% increase projected in January, said Xu Haidong, deputy chief engineer at the China Association of Automobile Manufacturers (CAAM). A formal revision on the 2021 vehicle sales target will be published in July, Xu said in Shanghai. The Chinese government has said it will work to encourage "steady increases" in spending on cars this year, a signal Beijing wants to ensure the auto sector has a robust future. Overall vehicle sales are expected to rise this year for the first time since 2017, CAAM said earlier.

- [thestar.com.my](https://www.thestar.com.my), 21 June

World economy surpasses pre-pandemic peak, says IHS Markit

The global economy has surpassed its pre-pandemic peak, data survey firm IHS Markit said, as the recovery accelerates thanks to vaccination and the end of pandemic-related restrictions. IHS Markit, which conducts monthly surveys of businesses that are highly valued by the market

as a leading indicator of economic activity, forecasts that with 6.0% growth this year the global economy will post its biggest expansion in nearly 50 years.

- thesundaily.my, 22 June

Fed will not raise rates on inflation fears alone, Powell says

Federal Reserve Chair Jerome Powell reaffirmed the U.S. central bank's intent to encourage a "broad and inclusive" recovery of the job market, and not to raise interest rates too quickly based only on the fear of coming inflation. "We will not raise interest rates pre-emptively because we fear the possible onset of inflation. We will wait for evidence of actual inflation or other imbalances," Powell said in a hearing before a U.S. House of Representatives panel.

- [reuters.com](https://www.reuters.com), 22 June

RCEP forecast to boost Malaysia's GDP by 0.8 -1.7 percentage point

The Regional Comprehensive Economic Partnership (RCEP) will boost Malaysia's gross domestic product (GDP) by 0.8 to 1.7 percentage points and exports growth by 24.4% over the medium and long term period. Executive director of Socio Economic Research Centre Malaysia of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) Lee Heng Guie said the world's largest trading bloc provides huge opportunity for the nation, given the size of trade between Malaysia and RCEP member countries of 58% in 2020.

- [malaymail.com](https://www.malaymail.com), 22 June

U.S. factory activity index rises to record high in June – Markit

A measure of U.S. factory activity climbed to a record high in June, but manufacturers are still struggling to secure raw materials and qualified workers, substantially raising prices for both businesses and consumers. Data firm IHS Markit said its flash U.S. manufacturing PMI rose to a reading of 62.6 this month. That was the highest since the survey was expanded to cover all manufacturing industries in October 2009 and followed a final reading of 62.1 in May.

- [reuters.com](https://www.reuters.com), 23 June

Euro zone business growth at 15-year high as demand unleashed –PMI

Euro zone business growth accelerated at its fastest pace in 15 years in June as the easing of lockdown measures unleashed pent-up demand and drove a boom in the dominant services sector but also led to soaring price pressures, a survey found. That led to a jump in IHS Markit's Flash Composite Purchasing Managers' Index, seen as a good guide to economic health, to 59.2 from 57.1, its highest reading since June 2006. It was ahead of the 50 mark separating growth from contraction and a Reuters poll estimate for 58.8.

- *investing.com*, 23 June

Japan's service prices mark biggest gain in 8 months as COVID pain eases

Japan's corporate services prices rose at the fastest annual pace in eight months in May, data showed, adding to growing signs the world's no. 3 economy is gradually emerging from last year's devastating impact of the coronavirus pandemic. The services producer price index - the price firms charge each other for services - rose 1.5% in May from the same month a year ago, the third straight monthly gain and the fastest pace of increase since September last year, Bank of Japan data showed.

- *reuters.com*, 24 June

US economy grows 6.4% in Q1, and it's likely just the start

The U.S. economy grew at a solid 6.4% rate in the first three months of the year, setting the stage for what economists believe may be the strongest year for the economy in about seven decades. Growth in the gross domestic product, the country's total output of goods and services, was unchanged from two previous estimates, the Commerce Department said, an acceleration from the 4.3% pace of the fourth quarter.

- *apnews.com*, 24 June

UK car output halved as chips shortage bites

British automotive production more than halved in May compared with the same month in 2019, before the coronavirus pandemic, as a global shortage of semi-conductors and other components continued to weigh on car plants.

The output of 54,962 cars was down 52.6% from May 2019 although it was 10 times the figure for May 2020 when Britain was in the grip of a first coronavirus lockdown, the Society of Motor Manufacturers and Traders (SMMT) said.

- *reuters.com*, 25 June

Emergency ECB stimulus could end next March: Holzmann

The European Central Bank (ECB) could end its emergency stimulus scheme next March and markets may be right in not pricing in an increase in more traditional bond purchases, Austrian central bank chief Robert Holzmann said. With the pandemic now receding, analysts, including the ECB's own Survey of Monetary Analysts, expect the 1.85 trillion euro Pandemic Emergency Purchase Scheme to end next March and see no increase in volumes under the Asset Purchase Programme (APP) to compensate for the lost stimulus.

- *reuters.com*, 28 June

World Bank: China's economy to grow 8.5% in 2021 due to strong demand and exports

China's economic growth is projected to reach 8.5% this year, reflecting a low base effect, the release of pent-up demand and strong exports, according to an updated forecast published by the World Bank. That marks an upward revision by 0.6 percentage points from the previous report in December, largely due to stronger-than-expected foreign demand.

- *news.cgtn.com*, 29 June

China's economy stabilising and improving, PBOC says

China's central bank provided a more positive outlook of the economy, saying it's showing more stability and improvement even though domestic and global risks remain.

The People's Bank of China (PBOC) will step up its coordination with global economic policies and prevent "external shocks," the monetary policy committee said in a statement at the conclusion of its quarterly meeting.

The committee reiterated that China's prudent monetary policy will be targeted and reasonable,

and the central bank will keep liquidity reasonably ample.

- theedgemarkets.com, 29 June

US consumer confidence at 16-month high; house price inflation heating up

US consumer confidence jumped to its highest level in nearly 1-1/2 years in June, as growing labour market optimism amid a reopening economy offset concerns about higher inflation. The Conference Board's consumer confidence index raced to a reading of 127.3 this month, the highest level since February 2020, from 120.0 in May. Economists polled by Reuters had forecast the index at 119.0.

- reuters.com, 30 June

China's factory activity expands at a slightly slower pace in June

China's factory activity expanded at a slightly slower pace in June, as high raw material costs and port disruptions in the export province of Guangdong affected business activity. The official manufacturing Purchasing Manager's Index (PMI) eased to 50.9 in June from 51 in May, data from the National Bureau of Statistics (NBS) showed, remaining above the 50-point mark that separates growth from contraction.

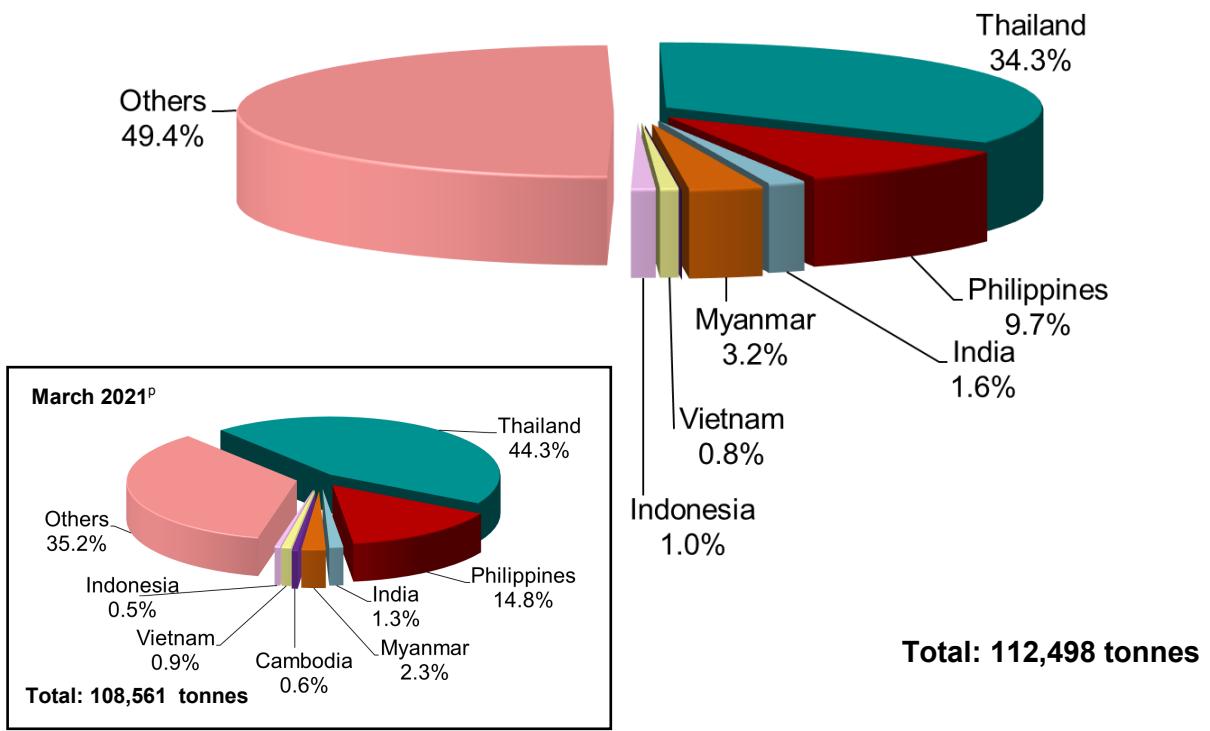
- reuters.com, 30 June

Thailand's booming autos exports help plug gaping tourism hole

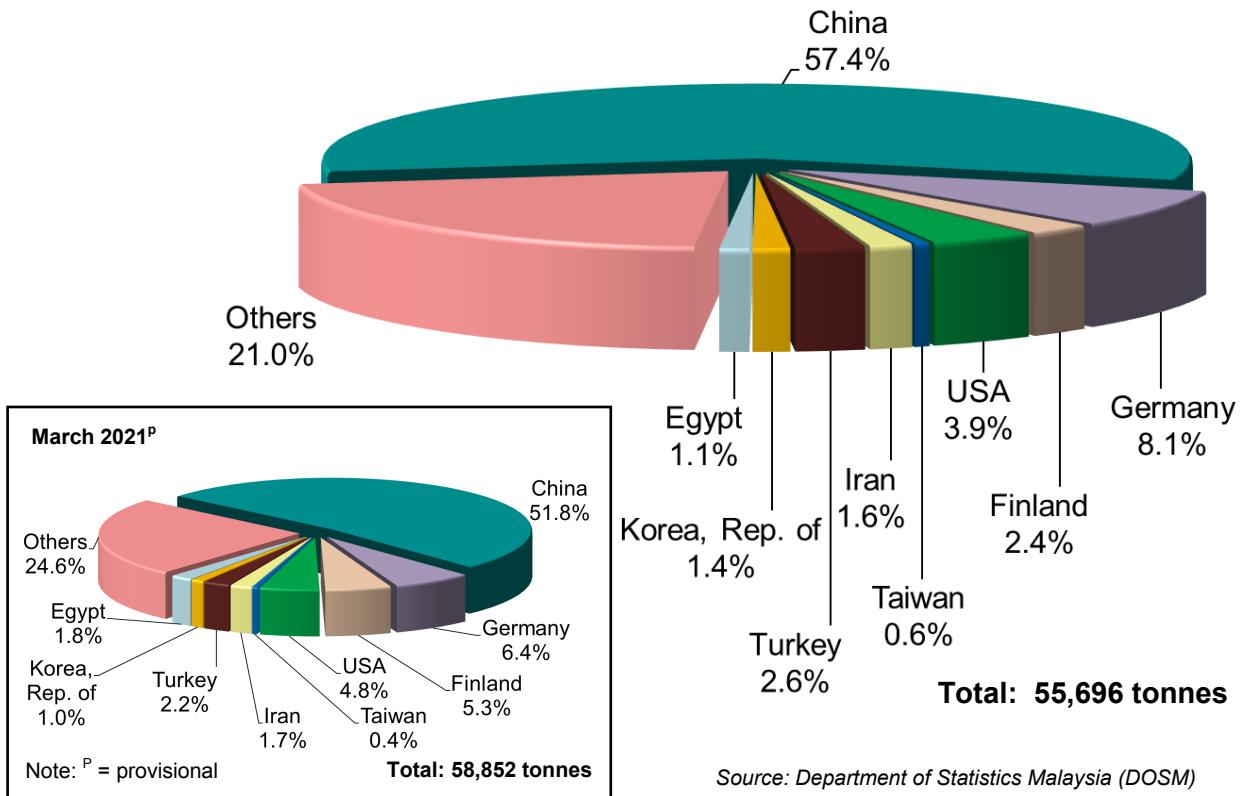
The Federation of Thai Industries (FTI) said the country's exports of completely built cars could reach 800,000 to 850,000 units this year, beating its target of 750,000 and versus about 736,000 in 2020. Surapong Paisitpattanapong, a spokesperson for FTI's automotive industry division, expects overall car shipments to reach a record THB 1 trillion (USD31.4 billion) this year versus THB 786 billion in 2019 before the pandemic hit. Thailand's auto exports hit USD12.4 billion in January-May, more than half the USD21.4 billion shipped for all of 2020, according to the Commerce Ministry.

- bangkokpost.com, 30 June

Malaysia's NR Imports by Countries, April 2021^P

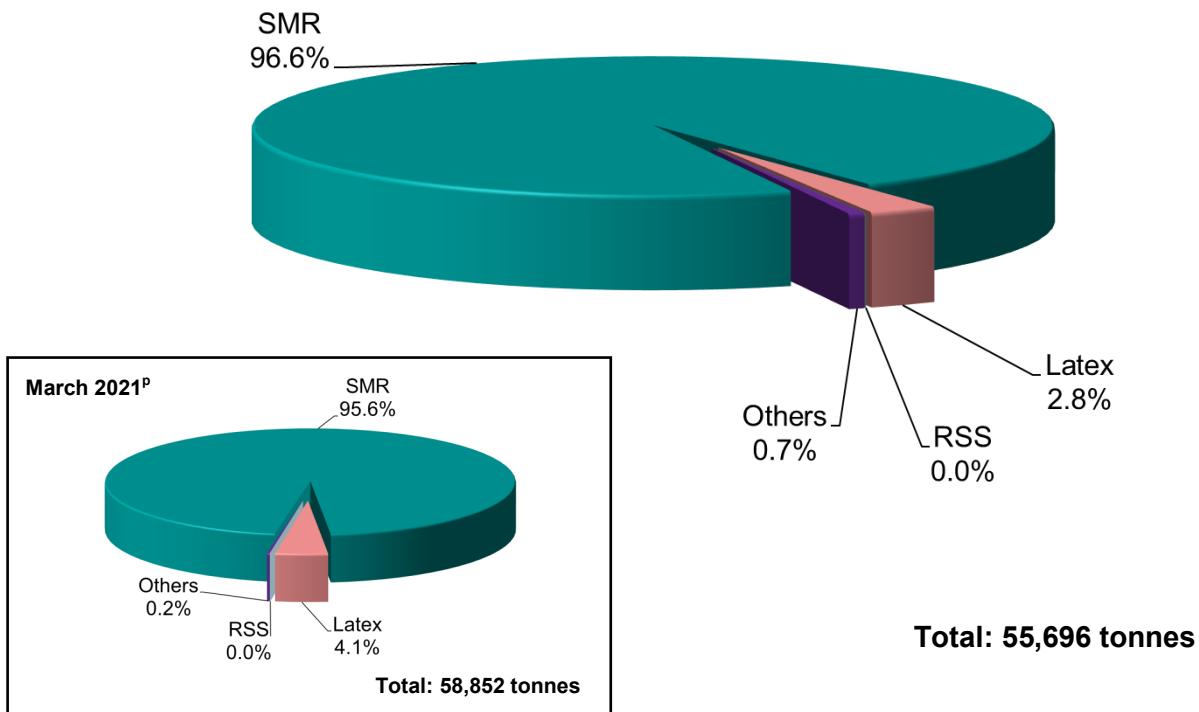


Malaysia's NR Exports by Countries, April 2021^P



Source: Department of Statistics Malaysia (DOSM)

Malaysia's NR Exports by Types, April 2021^p



Malaysia's NR Consumption by Sectors, April 2021^p

