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D I G E S T

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Natural Rubber Market Review

January

The Kuala Lumpur rubber market generally exhibited a mixed trend in January amid lingering worries of the economic impact brought by COVID-19, especially after the surge of global COVID-19 cases triggered tighter restrictions globally. Nevertheless, further losses were capped by economic recovery in China, tighter natural rubber (NR) supply due to the upcoming wintering season in certain parts of the major NR producing regions coupled with economic stimulus offered by governments globally. Compared with those on 30 December 2020, the price of SMR 20 was up by 45.0 sen/kg or 7.7% to close at 629.50 sen/kg. Meanwhile, latex concentrate closed at 532.00 sen/kg, a decline of 21.50 sen/kg or 3.9 per cent. Price movements of selected grades of rubber in January 2021 are shown in Table 1.

The declines in certain parts observed throughout January were due to losses in regional rubber futures markets as market players were concerned that rising global infections and fresh COVID-19 curbs in many countries might dent

NR demand. Losses in crude oil prices from fuel demand worries following increasing fresh COVID-19 curbs and pessimism over a more contagious new strain of COVID-19 discovered in South Africa also weighed on prices. Market sentiment was also damped by China's decline in tyre exports in December 2020 coupled with China's decision to cut subsidies by a fifth for new energy vehicles (NEVs) in 2021 to combat pollution. The market was further dragged down by increased NR supply and a stronger ringgit. The Association of Natural Rubber Producing Countries (ANRPC) anticipated that world NR production to recover in January 2021 to about 1.192 million tonnes. Department of Statistics Malaysia (DOSM) reported that Malaysia's exports amounted 56,522 tonnes in November 2020, an increase of 3.7% against 54,492 tonnes in October 2020. The ringgit continued to strengthen against the US dollar in January 2021 at RM 3.9965- 4.0600, compared with RM 4.0130- 4.0780 in December 2020.

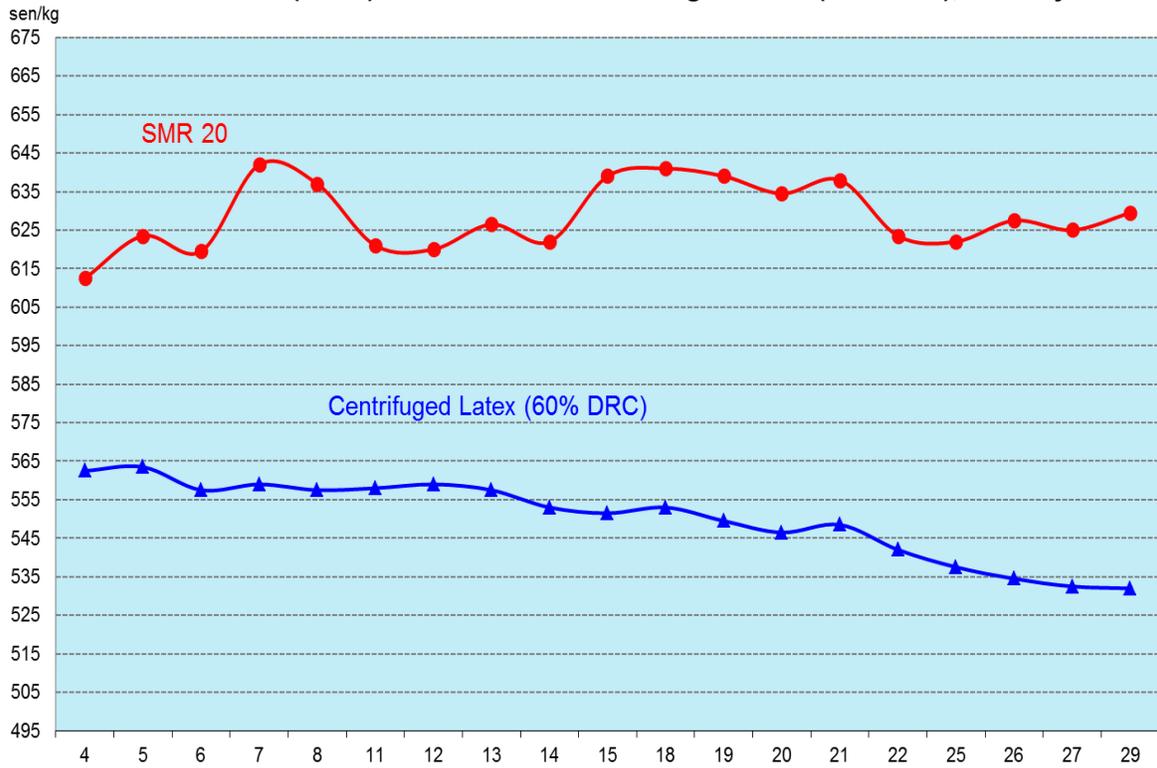
Nevertheless, some bullish sentiments supported gains during the review period and capped further losses. Gains in regional rubber futures markets were observed following the newly inaugurated US President's effort to push for a quick approval of the proposed USD 1.9 trillion U.S. pandemic

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

	SMR CV		SMR 20		Centrifuged Latex (60% DRC)	
	sen/kg	RM/tonne	sen/kg	RM/tonne	sen/kg	RM/tonne
Highest	959.00	9,590.00	642.00	6,420.00	563.50	5,635.00
Lowest	906.50	9,065.00	612.50	6,125.00	532.00	5,320.00
Average	937.05	9,370.50	628.58	6,285.80	550.26	5,502.60
Change from the last day of the previous month	-36.00	-360.00	45.00	450.00	-21.50	-215.00

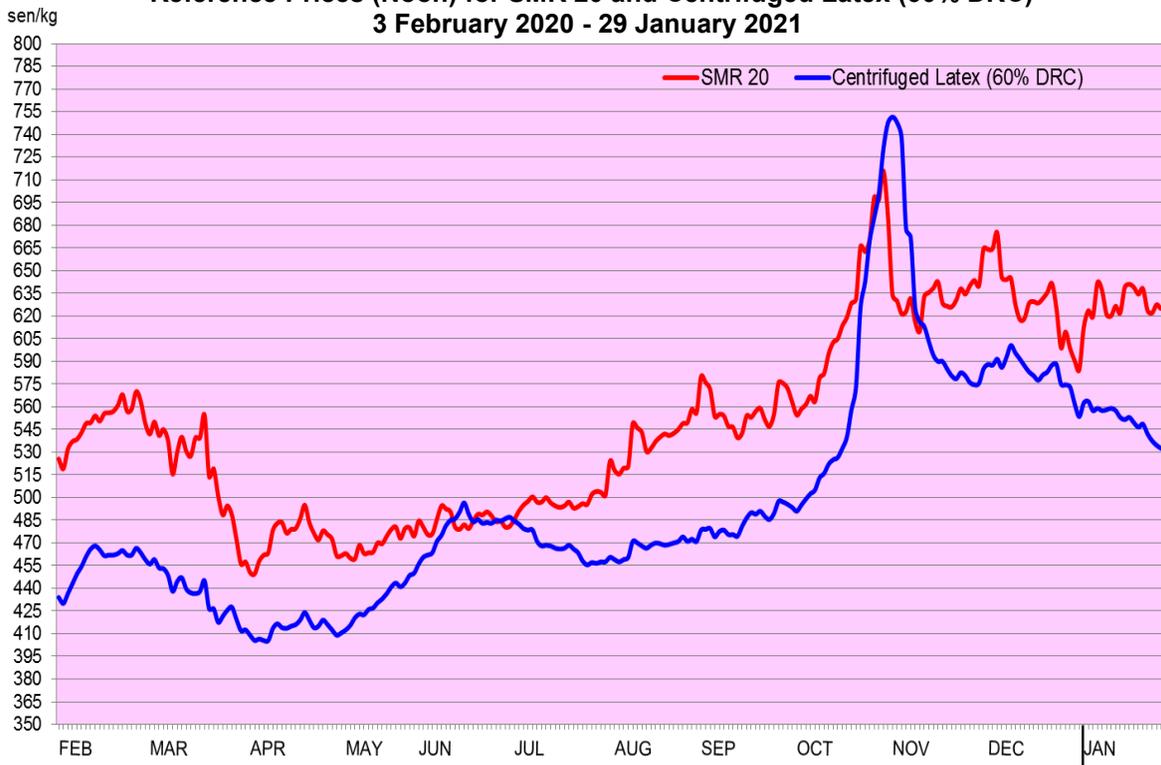
Note: * Reference price of Centrifuged Latex, 60% DRC
Source: Malaysian Rubber Board

Reference Prices (Noon) for SMR 20 and Centrifuged Latex (60% DRC), January 2021



Source : MRB

**Reference Prices (Noon) for SMR 20 and Centrifuged Latex (60% DRC)
3 February 2020 - 29 January 2021**



Source : MRB

2020

2021

relief package. The market was also supported by gains in crude oil prices driven by U.S. COVID-19 fiscal aid package, the pledge by Saudi Arabia to cut production by 1 million barrels per day (bpd) in February and March, compliance of Organization of the Petroleum Exporting Countries(OPEC) and allies, OPEC+ to their export cuts coupled with an increase in China's 2020 crude oil imports. Prices were also lifted by declining NR production. DOSM reported that Malaysia's production of natural rubber (NR) decreased 14.8% in November 2020 to 42,554 tonnes as compared to 49,943 tonnes in the previous month. ANRPC reported that the world production of natural rubber (NR) contracted at 8.3%, year-over-year (y-o-y), to 11.376 million tonnes during the first 11 months of 2020 (Jan – Nov). Market players also reacted positively to China's economic recovery and fiscal policy. The National Bureau of Statistics (NBS) reported that China's economy grew 6.5% in the fourth quarter of 2020, ending 2020 with a 2.3% GDP growth. China's 2021 target is 6% whereas the International Monetary Fund (IMF) anticipated China's GDP to grow 8.1% in 2021. The China Association of Automobile Manufacturers (CAAM) reported that China's auto sales in December rose 6.4% y-o-y to 2.83 million vehicles. Overall, China's total auto sales only dropped 1.9% y-o-y in 2020 to 25.31 million vehicles despite the COVID-19 pandemic and anticipated a 4% increase of vehicle sales in 2021. Continuous recovery of China's manufacturing sector where China's exports recorded a 18.1% y-o-y growth as global demand for Chinese goods remained solid, while import growth quickened at 6.5% y-o-y. China's official manufacturing Purchasing Manager's Index (PMI) for January expanded at 51.3, as China's economic recovery continued at slower pace due to COVID-19 virus outbreak and the upcoming Spring Festival. In addition, China's central bank conducted 100 billion yuan (about 15.45 billion USD) of reverse repos amid rising fiscal expenditure at the end of the month to maintain ample liquidity in the banking system.

Outlook

Prices are expected to trade range bound in near term as market players continue to monitor the progress of COVID-19 vaccination and updates from COVID-19 pandemic especially after the recent discovery of a more contagious COVID-19 strain in South Africa. The market is expected to be quiet in mid-February from the upcoming

Lunar Chinese New Year holidays. Nevertheless, the market is expected to be supported by tighter NR supply from the upcoming wintering season coupled with economic recovery in China. The IMF projected the global economy to grow 5.5% in 2021. On the other hand, the ANRPC in its Natural Rubber Trends & Statistics, December 2020 released on 11 January 2021 anticipated that the world NR production in 2020 to reach 12.678 million tonnes. Meanwhile, world consumption in 2020 was expected at 12.827 million tonnes. Prices are also expected to track the performance of ringgit, crude oil prices and regional rubber futures markets.

News Briefs

Asian factories shake off COVID-19 hit, tighter controls cloud outlook

Asian factory activity expanded moderately in December thanks to robust demand in regional giant China, business surveys showed, the latest sign that manufacturers are emerging from the initial damage of the COVID-19 pandemic. But Chinese factory growth slowed and tougher COVID-19 control measures put in place or being considered across the world clouded the outlook, keeping Asian policymakers under pressure to maintain or ramp up massive stimulus programmes.

- reuters.com, 4 Jan

China's electric vehicle market entering fast lane

China's electric vehicle market is ready to switch into high gear in the new year as automakers scramble to offer lucrative deals to attract environmental protection-conscious buyers and embrace the country's carbon neutrality goal in the years to come. United States EV manufacturer Tesla will soon roll out its Model Y produced at its Shanghai plant, the company said as it reported delivering nearly 500,000 cars globally in 2020. The automaker said production of the Model Y, a compact crossover sport utility vehicle, has begun in its Gigafactory 3 in Shanghai's Lingang Special Area, with deliveries expected to commence shortly.

- china.org.cn, 4 Jan

World Bank expects global economy to expand by 4% in 2021

Policy makers must move decisively, according to January's Global Economic Prospects, and although it is already growing again following the 4.3% contraction of 2020, the COVID-19 pandemic has caused "a heavy toll of deaths and illness, plunged millions into poverty, and may depress economic activity and incomes for a prolonged period", said a press release issued by the World Bank.

The variables in the near-term remain "highly uncertain" the World Bank warned, and a continuing rise in infections coupled with a delayed vaccine rollout, could limit global expansion this year to just 1.6%. Aggregate GDP in emerging market and developing economies, including China, is expected to grow 5% in 2021, after a contraction of 2.6%, according to the World Bank prospects.

- *news.un.org*, 5 Jan

Nitrile Butadiene Rubber (NBR) latex market size to surpass around USD 2.50 billion by 2027

The global nitrile butadiene rubber (NBR) latex market size is expected to surpass around USD 2.50 billion by 2027, with a compound annual growth rate (CAGR) of 7.6% from 2020 to 2027. The global NBR latex market size was valued at USD 1.39 billion in 2019.

- *globenewswire.com*, 5 Jan

US factory activity near 2-1/2-year high; COVID-19 disrupting supply chains

US factory activity accelerated to its highest level in nearly 2-1/2 years in December, as the COVID-19 pandemic continues to pull demand away from services towards goods, though spiraling new infections are causing bottlenecks in supply chains. The ISM's index of national factory activity rebounded to a reading of 60.7 last month.

That was the highest level since August 2018 and followed a reading of 57.5 in November. A reading above 50 indicates expansion in

manufacturing, which accounts for 11.9% of the US economy. Economists polled by Reuters had forecast the index would slip to 56.6 in December.

- *theedgemarkets.com*, 6 Jan

US 2020 auto sales slide 15%, but recovery stronger than expected

US new vehicle sales are forecast to have fallen about 15% year over year to 14.4 million units in full-year 2020, the lowest total since the beginning of the decade, but the industry's performance finished the year stronger than anticipated, according to industry analysts. Cox Automotive said strong December sales boosted the year's final projection, according to a report 6th January.

Cox said sales in 2020 were similar to those in 2012 when the automotive market was recovering from the 2008 financial crisis. Consultant JD Power separately said new vehicle retail sales in December are projected to have reached 1.4 million units, rising 1% from December 2019 when adjusted for the number of selling days.

- *spglobal.com*, 6 Jan

Analysts cautiously optimistic about auto sales in 2021

U.S. light-vehicle sales are set up for a major comeback in the second half of 2021, but the industry isn't yet in the clear as it enters a testy winter wracked by an ongoing rise in COVID-19 cases. Industry experts expect sales to tick up from roughly 14.5 million in 2020 the first time they would finish below 17 million since 2014 to as high as 16.2 million this year.

Cox Automotive made a more conservative projection of 15.2 million sales this year as it waits to see how the country handles the pandemic in the coming months, said its senior economist, Charlie Chesbrough. One factor will be public reaction to the vaccine rollouts.

- *plasticsnews.com*, 6 Jan

China's growth projected to pick up to 7.9%

China will continue to lead the world's economic recovery in 2021, fueled by the sustained expansion of industrial production and exports, economists said. The comments came after the World Bank updated its projection for China's 2021 economic growth, which is set to accelerate to 7.9%, up 1 percentage point from its forecast in June.

China's faster recovery was based on the release of pent-up demand and a quicker-than-expected resumption of production and exports, the bank said in its January 2021 Global Economic Prospects published.

- chinadaily.com.cn, 7 Jan

ANRPC releases natural rubber trends & statistics December 2020

The world production of natural rubber (NR) contracted at 8.3%, year-over-year (y-o-y), to 11.376 million tonnes during the first 11 months of 2020 (Jan – Nov) and likely to fall by 8.9%, y-o-y, for December 2020. The outlook of supply in 2020 is revised upward by 81,000 tonnes to 12.678 million tonnes compared to the outlook presented in the last issue. While the world production is anticipated to recover in January 2021 by producing about 1.192 million tonnes of NR against 1.056 million tonnes in January 2020. The world consumption of NR posted a fall of 7.9%, y-o-y, to 11.660 million tonnes during January 2020 to November 2020, while the remaining month of 2020 (December) is likely to recover at 3.6% to 1.167 million tonnes. The revised outlook in 2020 is attributed to a marginal increase of 16,000 tonnes to 12.827 million against the outlook reported in the last issue. The world consumption is anticipated to sustain the positive growth in January 2021 at 15.5% to 1.172 million tonnes against 1.015 million tonnes in January 2020. A vaccine-led economy will be a game changer to sustain the recovery from pandemic-hit economy globally. However, containment measure is also essential to set a foundation for robust growth amid challenges in public health, debt management, budget policies and structural reforms in respective countries.

- anrpc.org, 11 Jan

Rubber gloves market size worth USD22.1 Billion By 2027, CAGR: 14.7%

The global rubber gloves market size is expected to reach USD 22.1 billion by 2027, according to a new report by Grand View Research, Inc. The market is expected to expand at a compound annual growth rate (CAGR) of 14.7% from 2020 to 2027. Rising government expenditures towards the healthcare industry across countries including Germany, Italy, India, Australia, and the U.K., is expected to drive the market over the forecasted period.

- prnewswire.com, 11 Jan

Global rubber to get a vaccine boost

The roll-out plans of COVID-19 vaccine by governments across countries are expected to generate positive sentiments in the global natural rubber market and can uplift the demand outlook in the short-term. The US economy can make substantial recovery from the USD900-billion virus relief spending package that would likely stay positive in the natural rubber market, says the Rubber Market Intelligence Report prepared by the Association of Natural Rubber Producing Countries (ANRPC).

The world consumption of natural rubber is expected to present an improved performance and is anticipated to increase by 4 per cent against a preliminarily estimated 1.6 per cent decrease in November 2020. Moreover, the world consumption is anticipated to recover in 2021 by posting 4.9 per cent against 6.9 per cent decline expected in 2020, the report said. In China — which accounts for around 40 per cent of the global NR consumption — the industrial production increased by 7 per cent in November, faster than 6.9 per cent attained in October. According to the market report, the consistently increasing momentum exhibited by China's manufacturing sector can contribute to positive sentiment in commodities including that of natural rubber.

- thehindubusinessline.com, 11 Jan

China's auto sales dropped 1.9% in 2020, likely to see growth this year: association

China's total auto sales dropped 1.9% in 2020 due to the COVID-19 epidemic, but with the disease under control in China sales have rebounded in recent months, and a 4% increase in motor vehicle sales is expected in 2021, China's auto association said. "China sold 25.31 million vehicles in 2020, a 1.9% decrease year-on-year (y-o-y) mainly caused by a first quarter drop due to the pandemic," China Association of Automobile Manufacturers (CAAM) said. "With the stable economic recovery and the vast market potential, China's auto sector has likely passed the low point, and will turn to growth in 2021 with more than 26 million vehicles expected to be sold, a 4 percent increase year-on-year," the association said.

- *globaltimes.cn*, 13 Jan

Global economy can shake off pandemic in 2021, say policymakers, industry leaders

Vaccines and fresh economic stimulus promised by US President-elect Joe Biden will give the global economy a chance to put the COVID-19 pandemic behind it in 2021, policymakers and industry leaders told the Reuters Next conference. Their optimism came despite a resurgence in COVID-19 cases that has prompted the World Bank to downgrade its growth forecast for this year and warn that delays in vaccination programmes could pinch recovery even further. The head of German engineering giant Siemens AG said China is currently driving the world economy but was optimistic about recovery in the United States, where Biden has promised a faster roll-out of vaccines and more economic stimulus.

- *reuters.com*, 13 Jan

MCX delivers first rubber futures contract

MCX said that it has delivered 106 tonnes of natural rubber (NR) through its rubber futures contract. The commodity was delivered at Palakkad in Kerala. MCX rubber futures was launched on 28th December last year and has seen a rise in open interest from its inception. The combined open interest on day one was 18

tonnes and has seen a steady increase to 106 tonnes, the company said in a release.

- *thehindubusinessline.com*, 13 Jan

China's 2020 crude oil imports jump 7.3% to record on low prices, new refineries

China's total crude oil imports surged 7.3% in 2020 despite the COVID-19 shock early in the year, with record arrivals in the second and third quarter amid plunging oil prices and expanding refineries, data showed. For 2020, the world's top oil buyer brought in a record 542.37 million tonnes of crude oil, or 10.85 million barrels per day (bpd). December shipments were 38.47 million tonnes, equivalent to 9.06 million bpd, according to data released by the General Administration of Customs.

- *reuters.com*, 14 Jan

China December exports rise 18.1% year-on-year, imports up 6.5%, top forecasts

China's exports grew more than expected in December as global demand for Chinese goods remained solid, while import growth quickened, customs data showed. Exports rose 18.1% in December from a year earlier. Analysts in a Reuters poll had expected exports to grow 15% after a 21.1% jump in November. Imports, meanwhile, grew 6.5% last month from a year earlier, against expectations for a 5% rise and a 4.5% gain in November. China posted a trade surplus of USD78.17 billion in December. Analysts in the poll had expected the trade surplus to narrow to USD72.35 billion from USD75.40 billion in November.

- *reuters.com*, 14 Jan

IMF urges continued strong fiscal, monetary support given uncertainty

The International Monetary Fund (IMF) is urging countries to continue strong fiscal and monetary efforts to support their economies given continued uncertainty about the risks posed by a resurgence in COVID-19 cases and new variants. "The global economy is at a critical juncture," IMF spokesman Gerry Rice told reporters at an online

briefing. "There remains a great deal of uncertainty ... and the prospect for a still very difficult period ahead with infection surges and people continuing to suffer."

- reuters.com, 14 Jan

Monthly rubber statistics Malaysia, November 2020

Production of natural rubber (NR) decreased 14.8% in November 2020 to 42,554 tonnes as compared to 49,943 tonnes in the previous month. Meanwhile, year-on-year (y-o-y) also showed a decreased production 19.7%. Exports of Malaysia's NR amounted 56,522 tonnes in November 2020, an increase of 3.7% against 54,492 tonnes in October 2020.

Rubber gloves was the main export item with export value RM4.4 billion in October 2020, an increase of 0.9% to RM4.5 billion in November 2020. The stocks of NR increased in November 2020 with 259,440 tonnes as compared to 258,052 tonnes in October 2020 with an increase of 0.5%. Total domestic consumption for NR was 44,236 tonnes, a decrease of 8.4% as compared to the previous month. Rubber gloves industry continues to dominate the use of NR with 33,110 tonnes or 74.8% from the total domestic consumption.

- dosm.gov.my, 15 Jan

US-China trade war has cost up to 245,000 US jobs, study finds

US President Donald Trump's trade war with China has caused a peak loss of 245,000 US jobs, but a gradual scaling back of tariffs on both sides would boost growth and lead to an additional 145,000 jobs by 2025, a study commissioned by the US-China Business Council (USCBC) shows.

The group, which represents major American companies doing business in China, said the study by Oxford Economics also includes an "escalation scenario" which estimates a significant decoupling of the world's two largest economies could shrink US GDP by USD1.6 trillion (RM6.5 trillion) over the next five years. This could result in 732,000 fewer US jobs in

2022 and 320,000 fewer jobs by 2025, it said.

- malaymail.com, 15 Jan

Rubber production to receive multi-agency effort to improve

WWF-Cambodia and the General Department of Rubber at the Ministry of Agriculture, Forestry and Fisheries (MAFF) signed a memorandum of understanding (MoU) to build a multi-agency partnership for transparent and sustainable natural rubber supply chains in Cambodia.

The three-year cooperation in Cambodia has engaged and worked with relevant key actors from the government, private sector, nongovernmental organisations (NGOs) and rubber smallholders in Monduliri to promote sustainable rubber production, contributing to the improvement of the rubber smallholders' indigenous people and workers' livelihoods.

- khmertimeskh.com, 15 Jan

Malaysian medical glove exports face more delays amid shipping container shortage

Malaysia's medical glove makers face weeks of delays in delivering products to customers abroad due to a global shortage of shipping containers, hampering their ability to meet demand during the COVID-19 crisis, industry officials said. Supramaniam Shanmugam, president of the Malaysian Rubber Glove Manufacturers Association (MARGMA), told Reuters the container shortage had eased after year-end festivities but the situation had yet to return to normal, with exports by glove makers still facing delays of two to five weeks.

- reuters.com, 15 Jan

China's fourth quarter GDP growth beats forecast, ends 2020 in solid position after COVID-19 shock

China's economy grew at a faster-than-expected pace in the fourth quarter of last year, ending a rough COVID-19-stricken 2020 in remarkably good shape and remained solidly poised to expand further this year. The gross domestic product

(GDP) expanded 6.5%, data from the National Bureau of Statistics (NBS) showed, faster than the 6.1% forecast by economists in a Reuters poll, and followed 4.9% growth in the third quarter. GDP grew 2.3% in 2020, the data showed, making China the only major economy in the world to avoid a contraction last year as many nations struggled to contain the COVID-19 pandemic.

- reuters.com, 18 Jan

PERMAI assistance package can boost GDP growth, sustain SMEs, say economists

The government's RM15 billion PERMAI assistance package announced will help to alleviate the impact of COVID-19 resurgence and latest Movement Control Order (MCO 2.0) restrictions on the first-quarter gross domestic product (GDP) growth while supporting the recovery from the second quarter onwards, economists said.

- malaymail.com, 18 Jan

China's tyre production up in 2020

China's major tyre makers recorded 394 million units of automotive tyre production over the first 11 months of 2020, up 1% from the same period in 2019. It was the first time in 2020 that the year-to-month production showed growth from a year ago, the China Rubber Industry Association's tyre branch said. China has been registering double-digit growth in its monthly tyre production figures throughout the second half of 2020. The 11-month total production included 97 million unit truck and bus tyres, up 3% year on year, and 273 million unit passenger car tyres, down 0.2% year-on-year.

- rubbernews.com, 19 Jan

Kedah Rubber City project to create 5,000 jobs

The high-impact Kedah Rubber City (KRC) project in Padang Terap has attracted potential investments of more than RM2.1 billion, generating over 5,000 jobs. Kedah Menteri Besar Muhammad Sanusi Md Nor said that buoyed by

an attractive and comprehensive fiscal incentive package, rubber industry players have given their commitment to be part of the project which is expected to begin operations in the second quarter of next year. "KRC has great potential in line with the increasing global demand for rubber products. The first phase of the project was started last year and currently more than 30% has been implemented.

- thesundaily.my, 19 Jan

Thailand ramps up medical glove production as it chases Malaysia

Investments in the production of rubber gloves are expected to exceed 24 billion baht (USD800 million) over the next few years in Thailand, the world's largest producer of natural rubber, thanks to demand triggered by the COVID-19 pandemic. At least five companies, not all in the medical industry, have been cranking up production of medical gloves in hopes that Thailand -- currently the second-largest manufacturer after Malaysia, which is far and away the biggest producer -- will gain a bigger share of the global market.

- asia.nikkei.com, 19 Jan

Bridgestone and partner NRGene announce natural rubber genetic breakthrough

Bridgestone has released the results of its four-year collaboration with genomic big data solutions company NRGene, which aimed to further advance the commercialization of guayule, an alternative to natural rubber, as part of the effort to diversify its sources of raw materials. The combined effort focused on analyzing DNA to allow more efficient use of inherent genetic diversity to breed highly productive varieties of guayule, an alternative to natural rubber. Utilizing NRGene's DeNovoMagic system, scientists at Bridgestone and NRGene say they have successfully assembled a specific guayule genome. This achievement provided a complete description of the genome sequence and all its genes, allowing for the use of additional genomic diversity in the identification of the genetic basis for important traits such as rubber percentage.

- tiretechnologyinternational.in, 20 Jan

**Global rubber gloves market report, 2020-2027
- market is expected to reach USD22.1 billion**

The global rubber gloves market size is expected to reach USD 22.1 billion by 2027. The market is expected to expand at a compound annual growth rate (CAGR) of 14.7% from 2020 to 2027. Rising government expenditures towards the healthcare industry across countries including Germany, Italy, India, Australia, and the U.K., is expected to drive the market over the forecasted period.

- *prnewswire.com*, 21 Jan

Biden's rescue plan will give U.S. economy significant boost: Reuters poll

U.S. President Joe Biden's proposed fiscal package will boost the COVID-19-hit economy significantly, according to a majority of economists in a Reuters poll, and they expect it to return to its pre-COVID-19 size within a year. Hopes for an upswing in U.S. economic growth, helped by the huge stimulus plan, was reflected in the 19th - 22nd January Reuters poll of more 100 economists. In response to an additional question, over 90%, or 42 of 46 economists, said the planned fiscal stimulus would boost the economy significantly.

- *reuters.com*, 22 Jan

World's economic recovery delayed by slow vaccine rollouts

The world economy is facing a tougher start to 2021 than expected as COVID-19 infections surge and it takes time to roll out vaccinations. While global growth is still on course to rebound quickly from the recession of last year at some point, it may take longer to ignite and not be as healthy as previously forecast. The World Bank already this month trimmed its prediction to 4% in 2021 and the International Monetary Fund (IMF) will this week update its own outlook.

- *bloomberg.com*, 24 Jan

Beijing targets GDP to grow to 6% this year

Beijing strives to notch its year-on-year (y-o-y) gross domestic product (GDP) growth to around 6% this year, according to local authorities. The city also aims to maintain its consumer price index (CPI) increase within 3% compared with the prior year. The goals were released in the government work report delivered by the capital city's mayor Chen Jining at the ongoing fourth session of the 15th Beijing Municipal People's Congress. As the city's per capita GDP grew from USD18,000 in 2015 to about USD24,000 in 2020, Beijing has become equivalent to a developed economy at an intermediate level.

- *thestar.com.my*, 25 Jan

Indonesia 2020 agriculture exports up 15.8% y/y

Indonesian agricultural exports grew 15.8% in 2020 compared to the year earlier, the country's agriculture minister told parliament. Farm exports for the year reached 451.8 trillion rupiah (USD32.23 billion) compared to the 390.2 trillion in 2019, minister Syahrul Yasin Limpo said. Palm oil output in 2020 was at 48.3 million tonnes, sugar output at 2.13 million tonnes and 2020 natural rubber output at 2.88 million tonnes, the minister said. (USD1 = 14,020.0000 rupiah)

- *reuters.com*, 25 Jan

World economy expected to barely regain 2020 losses in 2021 - UN report

The world economy is expected to make a modest recovery of 4.7% this year after shrinking 4.3% in 2020 due to the COVID-19 pandemic: more than double the impact of the global financial crisis in 2009: the United Nations said. The World Economic Situation and Prospects report by the U.N. Department of Economic and Social Affairs said developed economies shrank by 5.6% in 2020 are projected to recover 4%, while developing countries contracted 2.5% and are estimated to grow 5.7% in 2021. "Massive and timely fiscal responses prevented a Great Depression-like economic catastrophe worldwide," the report said.

- *reuters.com*, 25 Jan

China says COVID-19 outbreaks will not lead to industrial shutdowns in north

COVID-19 outbreaks in northern China will have some impact on industries but will not lead to manufacturing shutdowns, said Huang Libin, an official at the Ministry of Industry and Information Technology, at a media briefing.

- reuters.com, 25 Jan

Strong 4Q NEV sales limit fall in china's car sales in 2020

Stronger-than-expected sales of passenger new-energy vehicles (NEVs) in 4Q20 helped China's passenger vehicle market to continue to recover, Fitch Ratings says in a new report. Sales of PVs rose 9.4% in the last quarter of 2020, which helped to limit the fall in full-year sales to 6.0%, data from the China Association of Automobile Manufacturers showed. Passenger NEV deliveries more than doubled in 4Q20 and NEVs' penetration in the PV market hit a record high of 8.6% in 4Q20.

- fitchratings.com, 25 Jan

Fragile recovery seen in global labour market after huge 2020 losses: ILO

Some 8.8% of global working hours were lost last year due to the pandemic, roughly four times the number lost in the 2009 financial crisis, but there are "tentative signs" of recovery, the International Labour Organisation (ILO) said. The losses compared with the previous year were equivalent to 255 million full-time jobs and included an "unprecedented" 114 million workers joining the ranks of the unemployed and others whose working hours were reduced due to restrictions, it said. "These massive losses resulted in an 8.3% decline in global labour income (before support measures are included), equivalent to USD3.7 trillion or 4.4% of global gross domestic product (GDP)," the ILO, a U.N. agency, said in its seventh report on the crisis since March.

- reuters.com, 25 Jan

World Economic Outlook Update- IMF

Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. The 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies. The global growth contraction for 2020 is estimated at -3.5%, 0.9 percentage point higher than projected in the previous forecast.

- imf.org, 26 Jan

IMF: Pandemic to slash USD22 trillion off global GDP 2020-25

The global economy is expected to see a strong rebound this year but the COVID-19 crisis is causing severe damage, IMF chief economist Gita Gopinath said. "Now at USD22 trillion, the projected cumulative output loss over 2020 to 2025, relative to the pre-pandemic projected levels remains substantial," Gopinath told reporters.

- malaymail.com, 26 Jan

Global economy threatened by COVID-19 resurgence

There is a high risk of a resurgence in COVID-19 infections derailing the world economy this year, according to a firm majority of economists in a Reuters poll, who forecast global GDP would reach pre-pandemic levels within two years. That threat, flagged by analysts who have largely been too optimistic about recovery prospects, comes despite world stocks adding USD33 trillion in value from March lows, lifted by stimulus overflows, near-zero interest rates and COVID-19 vaccine rollouts. Reuters polls of around 500 economists across Asia, Europe and the Americas revealed modest downgrades or no change to growth outlooks compared with previous surveys, as well as tamer inflation views across most countries.

- reuters.com, 27 Jan

China industrial profits surge 20.1% y/y in December

Profits at China's industrial firms surged 20.1% year-on-year (y-o-y) in December to 707.11 billion yuan (USD109.40 billion), official data showed. The rebound followed a 15.5% gain in November and marked the eighth month of growth in a row, according to data from National Bureau of Statistics (NBS). For the full year of 2020, annual profits for China's industrial firms grew 4.1% y-o-y to 6.45 trillion yuan, recovering from a 3.3% on-year decline seen in 2019. It was also quicker than a 2.4% gain seen in January-November.

- reuters.com, 27 Jan

COVID-19 savages U.S. economy, 2020 performance worst in 74 years

The U.S. economy contracted at its deepest pace since World War Two in 2020 as the COVID-19 pandemic depressed consumer spending and business investment, pushing millions of Americans out of work and into poverty. Though a recovery is underway, momentum slowed significantly as the year wound down amid a resurgence in COVID-19 infections and exhaustion of nearly USD3 trillion in relief money from the government. The moderation is likely to persist at least through the first three months of 2021. Gross domestic product decreased 3.5% in 2020, the biggest drop since 1946. That followed 2.2% growth in 2019 and was the first annual decline in GDP since the 2007-09 Great Recession.

- reuters.com, 28 Jan

US jobless claims drop; still at 847,000 as pandemic rages

The number of Americans applying for unemployment benefits fell but remained at a historically high 847,000 last week, a sign that layoffs keep coming as the COVID-19 pandemic continues to rage. Last week's claims dropped by 67,000, from 914,000 the week before, the Labor Department. Before the virus hit the United States hard last March, weekly applications for jobless aid had never topped 700,000.

- apnews.com, 28 Jan

China's tyre exports drop in December

China's tyre exports declined in December, the country's first registered decrease since August. China exported 45 million units of new rubber tyres in December 2020, down 0.2% from the same month a year ago, official state figures show. The value of exports as presented in U.S. dollars contracted 4%, to USD1.2 billion, according to China's General Administration of Customs. Weight of these exports in December also fell 1.5% year-on-year (y-o-y), to 530,000 tonnes. For full year 2020, China's tyre exports shrank by 5% from 2019, to 477 million units. Annual export value declined 10%, to USD13 billion; annual export volumes in tonnage fell by 3% to 6 million tonnes.

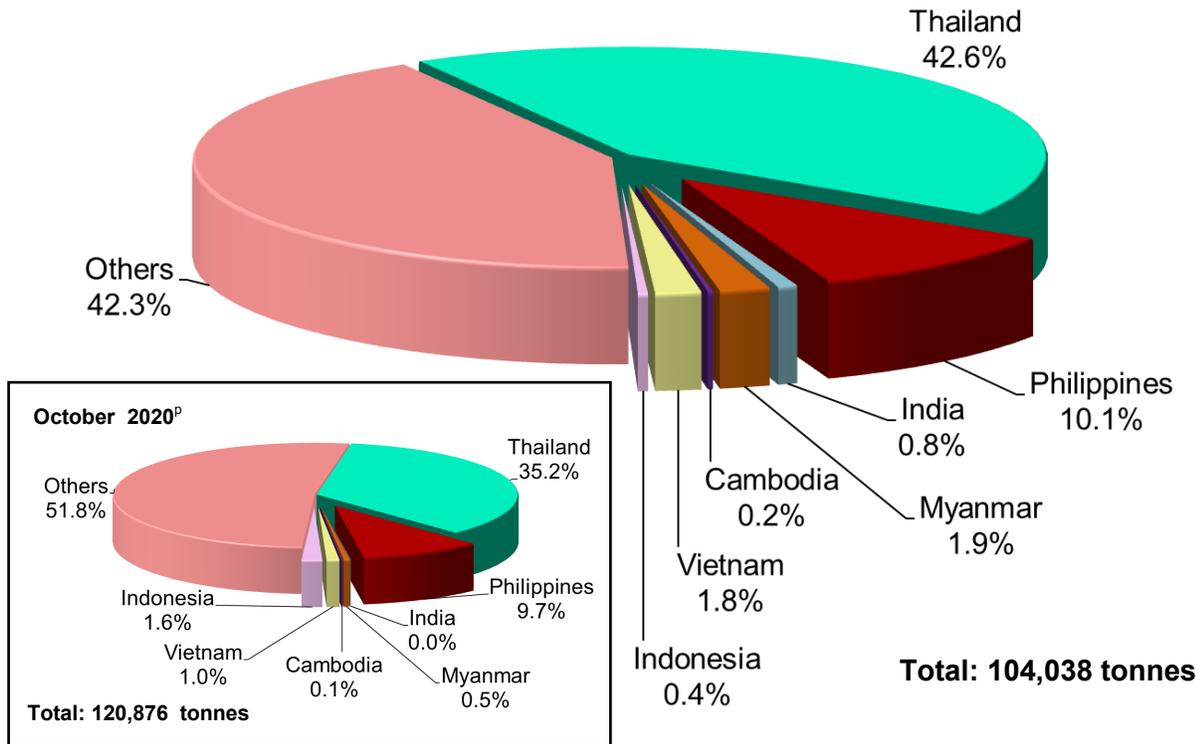
- rubbernews.com, 28 Jan

China's economic recovery continued in January at slower pace as COVID-19 outbreak takes toll

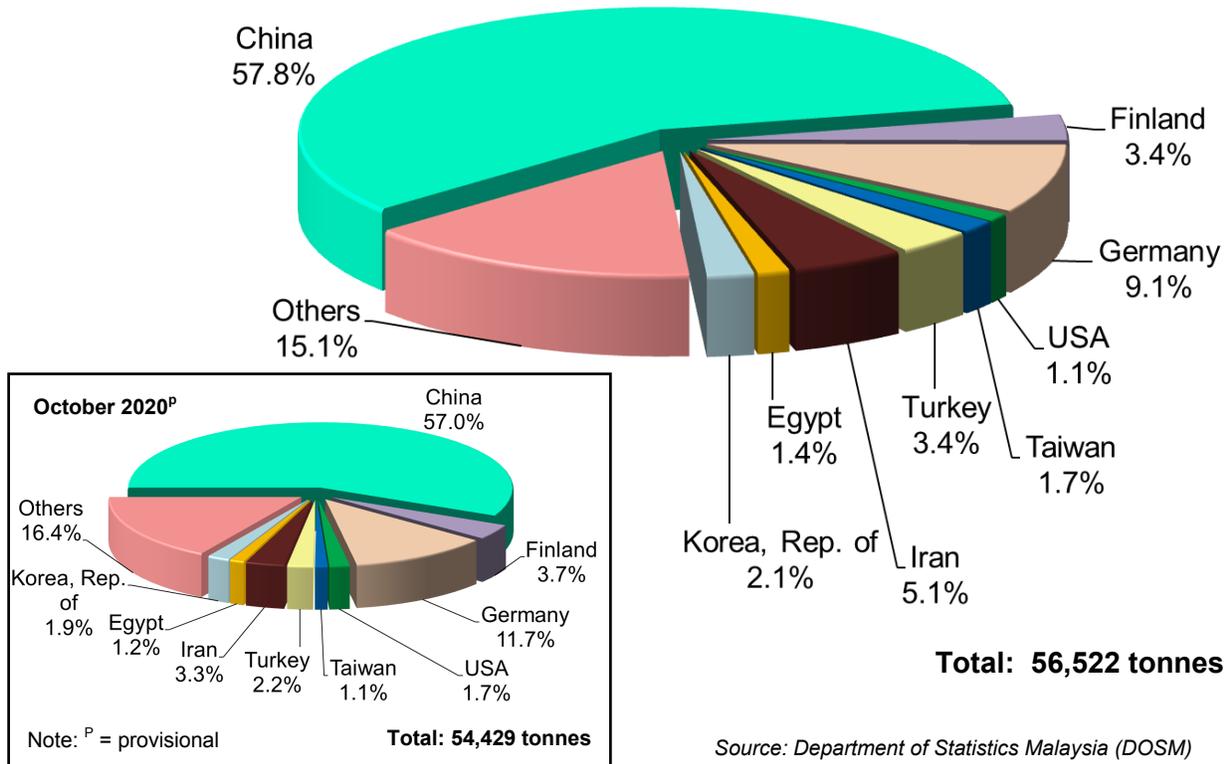
China's economy recovery continued in January but at a slower pace, as the resurgence of COVID-19 in parts of the country took a toll on business sentiment, led by a sharp drop in service sector morale. The official manufacturing purchasing managers' index (PMI) – a survey of sentiment among factory owners in the world's second-largest economy – fell to 51.3 last month from 51.9 in December, according to the National Bureau of Statistics (NBS). December's reading was below the median prediction of a poll of analysts conducted by Bloomberg, which expected a drop to 51.5.

- scmp.com, 31 Jan

Malaysia's NR Imports by Countries, November 2020^P

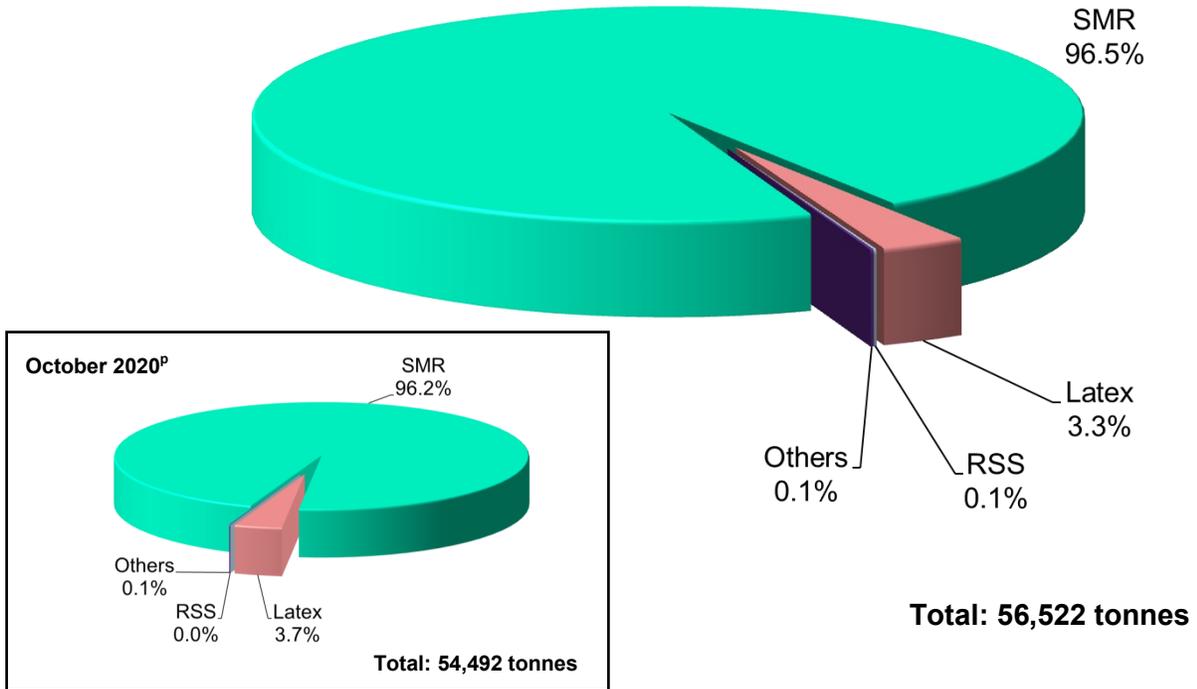


Malaysia's NR Exports by Countries, November 2020^P

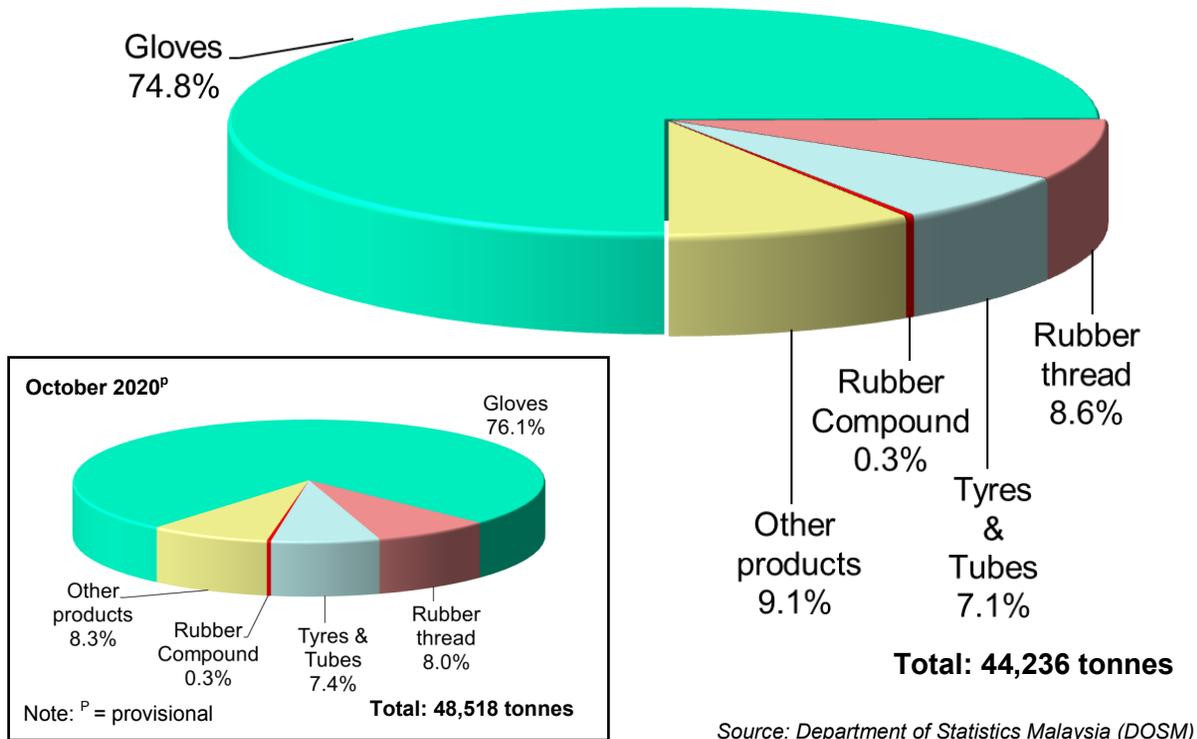


Source: Department of Statistics Malaysia (DOSM)

Malaysia's NR Exports by Types, November 2020^P



Malaysia's NR Consumption by Sectors, November 2020^P



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