Natural Rubber Market Review

October

The Kuala Lumpur rubber market extended the uptrend in October as SMR 20 surged to the highest level since April 2017 at 716.00 sen/kg before declining sharply on the last trading day. The recovery was buoyed by firm advices from regional rubber futures markets amid concerns over NR supply shortages in the mist of increased NR uptake from China. Nevertheless, some hiccups were observed through October, dragged down by losses in crude oil prices coupled with concerns from surging Covid-19 infections globally. Compared with those on 30 September 2020, the price of SMR 20 increased sharply by 123.5 sen/kg or 21.9% to close at 686.50 sen/kg. Meanwhile, latex concentrate closed at 747.50 sen/kg, jumped 254.00sen/kg or 51.5% resulting from supply disruption due to rains and erratic weather in some major NR producing nations. Price movements of selected grades of rubber in October are shown in Table 1.

The uptrend in October was supported by strong advices from regional rubber futures markets following concerns about tighter natural rubber (NR) supply from certain parts of the major NR producing countries and fresh buys prompted by solid NR demand recovery in China. The market was further supported by data which reaffirms steady China’s economic recovery from the Covid-19 shock. The China Association of Automobile Manufacturers (CAAM) reported that China’s auto sales in September rose 12.8% from a year earlier to 2.57 million vehicles. Meanwhile, China’s economic recovery accelerated in the third quarter with a GDP of 4.9%, as consumers shook off their Covid-19 caution. International Monetary Fund (IMF) predicted that China’s economy will expand by 1.9% this year, leading the global economic recovery with robust production and a solid services sector rebound. China’s industrial profits grew for the fifth straight month in September at 10.1% year-on-year, pointing to a firm recovery in the vast manufacturing sector. China’s official manufacturing Purchasing Manager’s Index (PMI) for October expanded at 51.4, slightly above analysts’ expectations. The positive sentiment was also buoyed by declining world NR production. During January to August 2020, the Association of Natural Rubber Producing Countries (ANRPC) reported that world production of natural rubber (NR) is expected to fall 8.7%, year-over-year (y-o-y) to 7.778 million tonnes. Meanwhile, the world consumption of NR fell 11.7%, y-o-y, to 8.151 million tonnes, resulted

<table>
<thead>
<tr>
<th></th>
<th>Reference Prices (Noon) of SMR CV, SMR 20 and Centrifuged Latex (60% DRC), October 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SMR CV</td>
</tr>
<tr>
<td></td>
<td>sen/kg</td>
</tr>
<tr>
<td>Highest</td>
<td>1,266.00</td>
</tr>
<tr>
<td>Lowest</td>
<td>838.50</td>
</tr>
<tr>
<td>Average</td>
<td>980.24</td>
</tr>
<tr>
<td>Change from the last day of the previous month</td>
<td>423.50</td>
</tr>
</tbody>
</table>

Note: * Reference price of Centrifuged Latex, 60% DRC
Source: Malaysian Rubber Board
Reference Prices (Noon) for SMR 20 and Centrifuged Latex (60% DRC), October 2020

Source: MRB

Reference Prices (Noon) for SMR 20 and Centrifuged Latex (60% DRC), 1 November 2019 - 30 October 2020

Source: MRB
in a supply deficit of 373,000 tonnes. Department of Statistics Malaysia (DOSM) reported that Malaysia’s production of natural rubber (NR) stood at 44,543 tonnes, down 22.7% y-o-y in August 2020.

Nevertheless, declines were witnessed in certain parts of the month were due to profit taking activities in regional rubber futures markets after a rally in prices. The negative sentiment was also brought by uncertain crude oil prices amid fears of an oversupply of crude oil. The Organization of the Petroleum Exporting Countries (OPEC) trimmed 2021 oil demand forecast by 80,000 barrels per day (bpd) to 96.84 million bpd. OPEC+ plan on tapering production cuts in January 2021 to about 5.7 million barrels per day.

Uneven global economic recovery from the Covid-19 pandemic-induced recession also dampened market sentiment. The latest October 2020 World Economic Outlook released by International Monetary Fund (IMF) forecasted that the global economy will shrink 4.4% for 2020. The slightly improved forecast was attributed by the faster-than-expected rebounds in some countries, notably China and the government rescue aids. Market operators took cue from month-on-month rubber statistics reported by DOSM that showed Malaysia’s NR exports decreased by 6.0% while total domestic consumption declined by 0.6 per cent. Furthermore, prices were also influenced by the strong ringgit against the US dollar in October at RM 4.1385-4.1650, compared with that of September at RM 4.1105-4.1735.

**Outlook**

Prices are expected to be supported in the near term by tighter NR supply till early 2021 coupled with a steady NR demand recovery from China as their government promotes the use of small vehicles in the mist of lingering worries over surging Covid-19 pandemic cases globally. The decline in production was expected to continue due to La Nina, erratic weather, reducing tapping activities from Covid-19 containment measures, Pestalotiopsis leaf fall disease, rainy season in some parts of Thailand and floods, especially in southern China and Vietnam. On the other hand, the ANRPC in its latest Natural Rubber Trends & Statistics, September 2020 released on 14 October 2020 anticipated the world NR production at 12.901 million tonnes, down 6.8% from the previous year. Meanwhile, world consumption in 2020 is scaled up slightly to 12.611 million tonnes or down 8.4% from the previous year. Prices are also expected to track the performance of ringgit, crude oil prices and regional rubber futures markets. Market operators are expected to monitor the developments of Covid-19 infections and vaccine treatment outcome, upcoming economic stimulus, China’s 14th five-year plan coupled with the developments of the U.S-China diplomatic relations.

**News Briefs**

**Japan business sentiment perks up as hit from pandemic begins to ease**

Japanese business sentiment improved in July-September from a 11-year low hit three months ago, a key central bank survey showed, in a sign the economy is gradually emerging from the devastating hit from the Covid-19 pandemic. The headline index for big manufacturers’ sentiment improved to minus 27 in September, off a 11-year low of minus 34 in June but worse than a median market forecast of minus 23, the Bank of Japan’s closely watched “tankan” survey showed.

- reuters.com, 1 Oct

**Thailand’s rubber product exports predicted to rise in 2020**

Thailand’s rubber product exports are expected to fetch 359 billion baht (11.35 billion USD) in 2020, 3.19% higher than last year, according to Thai Commerce Minister Jurin Laksanawisit. Speaking after a meeting on October 1 with the International Trade Promotion Department, Rubber Authority of Thailand and rubber cooperatives, Jurin said Thailand is likely to see higher shipments of rubber because of rising demand for rubber gloves and auto tyres, as well as the government’s proactive approach to promote rubber exports. Jurin said global demand for rubber gloves and auto tyres keeps rising significantly because of the global economic recovery after lockdown measures to curb the COVID-19 pandemic are being relaxed.

- factiva.com, 2 Oct

**ITC: Commerce can proceed with ‘expedited’ review of 2015 China import duties**

The International Trade Commission has voted to authorize the Department of Commerce to proceed with an "expedited" review of antidumping and countervailing duties imposed in 2015 on consumer tyres from China. This review—often called a "sunset" review—is to "determine whether revocation of the (AD) and
(CVD) duty orders on certain passenger vehicle and light truck tyres from China would be likely to lead to continuation or recurrence of material injury." Since the imposition in 2015 of these duties, imports of passenger tyres from China have fallen nearly 95% to 2.8 million units last year from 50.4 million units in 2014, according to U.S. Commerce Department data. Through the first six months of 2020, they fell even further, dropping 42.2% to 905,444.

- rubbernews.com, 5 Oct

**International sustainable rubber group gives voice to 'smallholders'**

Owners of small rubber farms around the world now have a seat at the table at an international sustainability group. The Global Platform for Sustainable Natural Rubber, a Singapore-based group aiming to make a difference in how rubber is harvested, has adopted new rules that allow these so-called smallholders to join the group and have representation on GPSNR’s executive committee. A total of 28 smallholders from seven countries initially are joining the group to have their interests represented. GPSNR is in the process of establishing a working group to consider the added costs of sustainability and how they should be shared along the supply chain. GPSNR members account for nearly 50% of the global natural rubber volume.

- factiva.com, 5 Oct

**Global economy’s recovery from pandemic seen extending past 2021**

The World Trade Organization said it expects global merchandise trade to fall by 9.2% this year from 2019, compared with the 12.9% drop projected in April, according to revised forecasts released in Geneva. But the WTO also said it expects global trade growth of 7.2% in 2021, much weaker than the prior outlook for a 21.3% bounce-back. That outlook jibes with the view of the International Monetary Fund.

- bloomberg.com, 6 Oct

**Vietnamese rubber exports endure drop in value despite surge in volume**

Vietnam exported a total of 1.14 million tonnes of rubber worth USD1.45 billion during the first nine months of the year, representing an annual increase of 2.4% in volume, despite simultaneously recording a decline of 4% in value, according to statistics compiled by the Ministry of Industry and Trade. September alone witnessed the country ship 230 thousand tons of rubber abroad with a value of USD296 million, representing a rise of 3% in volume and 7.6% in value from August, with the average export price declining by 1.7% to USD 1,287 per ton against the same period from last year.

- factiva.com, 7 Oct

**U.S. services sector continues to expand in September amid slowing recovery**

The U.S. services sector expanded in September for the fourth consecutive month as the economy slowly recovers from the Covid-19-induced recession, the Institute for Supply Management (ISM) reported. The Services Purchasing Managers' Index (PMI), formerly known as the non-manufacturing index, registered 57.8%, 0.9% higher than the August reading, according to the latest Services ISM Report on Business.

- thestar.com.my, 6 Oct

**IMF urges infrastructure investment to boost post-Covid growth**

The International Monetary Fund said member governments should seize a low interest rate opportunity to invest in infrastructure to drive recovery from the Covid-19 pandemic and a shift toward greener energy. The IMF said in chapters from fiscal monitor that its research shows public investment in infrastructure, including investments in health care systems, digital infrastructure and addressing climate change can pay back more than two to one in economic growth within two years. Increasing public investment by 1% of GDP in advanced and developing economies would grow their GDP by 2.7%, creating seven million jobs directly, and between 20 million and 33 million jobs overall when considering the indirect macroeconomic effects.

- reuters.com, 6 Oct

**Global central bankers say fiscal aid crucial in new phase of pandemic battle**

Top U.S. and European central bankers called for renewed government spending to support families and businesses as the battle against the Covid-19-triggered recession enters a newly critical phase. Hopes for new fiscal support in the United States, however, were dealt a serious
blow when President Donald Trump abruptly canceled ongoing negotiations with Democrats in the U.S. House of Representatives. Those health risks and the possibility of a long "slog" of slow economic growth and elevated joblessness means a "recessionary dynamic" could still take hold in which weak growth feeds on itself through successive rounds of layoffs and business failures, Federal Reserve Chair Jerome Powell told a business conference. Early action last spring by the U.S. central bank and the passage by Congress of legislation providing trillions of dollars in direct aid to companies and families has prevented the worst outcomes "so far," Powell said.

- reuters.com, 7 Oct

**Business, labor groups urge G20 to close 'stimulus gap' in Covid-19 crisis**

The Group of 20 nations must offer poorer countries a longer freeze in debt payments and other help to protect the global economy from long-term scarring inflicted by the Covid-19 pandemic, leading business and labor groups said. Warning of job losses, increasing poverty, rising child mortality and high business failure rates in poorer countries, the groups urged G20 finance ministers, who will meet by teleconference next week, to take immediate action.

- reuters.com, 8 Oct

**Adding value to the Malaysian rubber industry**

To keep up with the rapid evolution of technology, rubber industry players must now be nimble and embrace change an ethos that the Malaysian Rubber Council (MRC) intends to inculcate. "The world will not wait for us so the rubber players must ensure that we move in tandem with the ever-evolving world. There are things we must unlearn and relearn, and to accept new ideas and fresh ways of doing things," says MRC chairman Raja Datuk Idris Raja Kamarudin. "We need to innovate. If the rubber industry stays strong, the nation will continue to thrive," says Raja Idris.

- thestar.com.my, 8 Oct

**China’s imports, exports surge as global economy reopens**

China’s imports grew at their fastest pace this year in September, while exports extended their strong gains as more trading partners lifted Covid-19 restrictions in a further boost to the world’s second-biggest economy. Exports in August rose 9.9% from a year earlier, customs data showed, broadly in line with analysts’ expectations for 10% growth and up from a solid 9.5% increase in August. The strong trade performance suggests Chinese exporters are making a brisk recovery from the Covid-19 pandemic’s hit to overseas orders.

- reuters.com, 13 Oct

**China September trade surplus with U.S. narrows to USD30.75 billion**

China’s trade surplus with the United States stood at USD30.75 billion in September, Reuters calculations based on Chinese customs data showed, down from a USD34.24 billion surplus a month earlier. For the first nine months of the year, China’s trade surplus with the United States totalled USD218.57 billion. China is still far behind its commitment to purchase more U.S. goods promised in its Phase 1 deal made with the United States. U.S. Department of Agriculture Secretary Perdue said earlier this month that China may fail its commitment on buying enough agricultural products due to “non-agricultural trade issues”.

- reuters.com, 13 Oct

**World Bank board approves USD12 billion for Covid-19 vaccines, treatments in developing countries**

The World Bank said its executive board approved USD12 billion in new funding for developing countries to finance the purchase and distribution of Covid-19 vaccines, tests and treatments for their citizens. The financing plan, part of USD160 billion in total resources that the multilateral development lender has pledged to provide to developing countries through June 2021 to help them fight the Covid-19 pandemic, was first reported by Reuters in late September.

- reuters.com, 14 Oct

**ANRPC - ANRPC Releases Natural Rubber Trends & Statistics, September 2020**

The world production of natural rubber (NR) fell 8.7%, year-over-year, during Jan-Aug 2020 to 7.778 million tonnes. Accounting a 3.8% fall anticipated in the remaining four months of the year, the total production during the full year 2020 is anticipated at 12.901 million tonnes reflecting a 6.8% fall from the previous year. This revised
outlook of the world supply in 2020 is 1.9% lower than the outlook reported a month ago which was 13.149 million tonnes by representing a 4.9% fall. The world consumption of NR fell 11.7%, year-over-year, to 8.151 million tonnes during Jan-Aug 2020. In view of restoration of economic activities across countries, and a faster-than expected economic recovery in China, the consumption sector is anticipated to perform relatively better during the remaining four months of the year by contracting only by 1.8%, year-over-year during the period. The world consumption outlook for the full year 2020 is marginally scaled up to 12.611 million tonnes by representing an 8.4% fall from the previous year. The outlook for 2020 reported a month ago was 12.544 million tonnes by representing an 8.9% fall from the previous year.

- anrpc.org, 14 Oct

**OPEC cuts 2021 oil demand forecast again as virus cases rise**

World oil demand will rebound more slowly in 2021 than previously thought as Covid-19 cases rise. Organization of the Petroleum Exporting Countries (OPEC) said, adding to headwinds faced by the group and its allies in balancing the market. Demand will rise by 6.54 million barrels per day (bpd) next year to 96.84 million bpd, the OPEC said in a monthly report. The growth forecast is 80,000 bpd less than expected a month ago.

- reuters.com, 14 Oct

**Singapore’s GDP contracts by 7% in 3Q - advance estimates**

The Singapore economy contracted by 7.0% on a year-on-year basis in the third quarter, an improvement from the 13.3% contraction in the second quarter. It expanded by 7.9% on a quarter-on-quarter seasonally-adjusted basis, rebounding from the 13.2% contraction in the preceding quarter. This was based on advance estimates released by the republic’s Trade and Industry Ministry (MTI) here.

- theedgemarkets.com, 14 Oct

**China bolsters trade dominance by enduring virus and Trump**

China is cementing its status as the world’s dominant trading nation, confounding warnings that a once in a century pandemic combined with simmering tensions with the U.S. would derail that status. China remains the lone major economy estimated by IMF to expand, with 1.9% projected growth this year and an 8.2% boom in 2021. For now, the picture is upbeat. Exports grew 9.9% in dollar terms in September from a year earlier, while imports rose 13.2%, the customs administration said. That left a trade surplus of USD37 billion for the month. Economists had forecast that exports would increase by 10% while imports would edge up 0.4%.

- theedgemarkets.com, 14 Oct

**Production of natural rubber increased 6.6 per cent in August 2020**

Production of natural rubber (NR) increased 6.6% in August 2020 to 44,543 tonnes as compared to 41,801 tonnes in the previous month. Comparison year-on-year (y-o-y) showed a decrease of 22.7% as compared to the same month in the previous year. Exports of Malaysia's NR amounted 42,658 tonnes in August 2020, a decrease of 6.0% against 45,386 tonnes in July 2020. People's Republic of China (PROC) remains as the main destination for NR exports. The stocks of NR showed a declining trend since May 2020. Stocks declined further in August 2020 by 0.7% to 235,156 tonnes as compared to 235,156 tonnes in July 2020. Total domestic consumption for NR was 46,745 tonnes, a decrease of 0.6% as compared to the previous month. Rubber gloves industry dominates the use of NR with 35,542 tonnes or 76.0% from the total domestic consumption.

- www.dosm.gov.my, 15 Oct

**China auto sales jump 13% in 'Golden September' as shoppers return to showrooms**

Automobile sales in China rose 12.8% in September from the same month a year earlier, marking the sixth consecutive month of gain, as the world's biggest vehicle market comes off lows hit during the Covid-19 lockdown. Sales reached 2.57 million vehicles last month, showed data from the China Association of Automobile Manufacturers (CAAM). Sales are still down 6.9% for the first nine months of the year at 17.12 million vehicles, CAAM said.

- thestar.com.my, 15 Oct

**China’s factory-gate prices fall at faster pace, consumer prices rise more slowly**

The producer price index (PPI) fell 2.1% from a year earlier, marking the eighth straight month of
declines, the National Bureau of Statistics (NBS) said in a statement. That compared with a 2.0% drop in August and expectations for a 1.8% decline in a Reuters poll. NBS data also showed China consumer price index rose by 1.7% in September from a year earlier, its slowest increase since February 2019. Economists in a Reuters poll had expected the consumer price index to increase 1.8% after a 2.4% rise in August.

 IMF’s Georgieva urges more Covid-19 stimulus from U.S., China

The United States and China needed to keep up strong stimulus to help speed the global economy’s recovery from the novel coronavirus pandemic, International Monetary Fund (IMF) Managing Director Kristalina Georgieva said. A faster recovery also depends on strong cooperation to develop and distribute Covid-19 vaccines evenly worldwide, but could add nearly USD9 trillion to global income by 2025, Georgieva told a news conference after an IMF steering committee meeting.

 Conti using electronics to help Indonesian NR farmers

The project, in conjunction with the German Federal Ministry of Economic Cooperation and Development (BMZ) makes the supply chain—from cultivation to finished goods—transparent through the use of electronics. It’s a first-of-its-kind effort that helps farmers sell their output for significantly higher prices thanks to sustainable cultivation and better technology, Continental said. Farmers receive sustainable cultivation training, including instruction on how to cut trees to obtain as much rubber as possible for a longer period of time.

 China’s economic recovery quickens in third quarter but misses forecasts

China stepped up its economic recovery in the third quarter from the Covid-19 shock but missed forecasts, pointing to continued challenges for one of the few drivers of global growth this year. Gross domestic product (GDP) grew 4.9% in July-September from a year earlier, the National Bureau of Statistics (NBS) said, slower than the median 5.2% forecast by analysts in a Reuters poll and following 3.2% growth in the second quarter. The world’s second-largest economy grew 0.7% in the first nine months from a year earlier, NBS said.

 China September industrial output rises 6.9% year-on-year; retail sales up 3.3%

China’s industrial output in September rose 6.9% from a year earlier, expanding for the sixth straight month in a boost to an economy recovering from the Covid-19 shock. Analysts polled by Reuters had expected annual industrial output growth to have quickened to 5.8% in September from a 5.6% gain in August, as more businesses resumed production after measures to contain the spread of the virus were lifted. China’s retail sales edged up 3.3% last month from a year earlier, beating analysts’ forecast for
1.8% growth compared with 0.5% growth in August.

- reuters.com, 19 Oct

**Thailand, India scale back rubber production outlook**

Bad weather and the Covid-19 pandemic have prompted major natural rubber producers Thailand and India to revise down their production figures for 2020. In its September update, Thailand lowered its full year outlook to 4.47 million metric tonnes for the full year, down by 332,000 tonnes compared with its forecast in August, the ANRPC said Oct. 14. The revised outlook represents a 7.7% decline from the previous year as opposed to a 0.9% anticipated fall reported a month ago. In India, the production anticipated in 2020 was scaled down by 42,000 tonnes to 668,000 tonnes in September. The revised outlook is 4.8% lower than the previous year's level, and 1.1% lower than the anticipated increase reported a month ago.

- rubbernews.com, 20 Oct

**IMF says Asia’s economy will shrink more in 2020 than it previously thought**

Asia’s economic contraction this year will be worse than previously thought as several emerging markets in the region have slowed down sharply while battling the Covid-19 outbreak, the International Monetary Fund (IMF) said. Asia is forecast to shrink by 2.2% this year, the IMF said in its latest Regional Economic Outlook report for Asia and Pacific. That’s worse than the fund’s June forecast for a 1.6% contraction, and stands in contrast to the IMF’s decision to revise upward the projection for the global economy.

- cnbc.com, 21 Oct

**EU new car demand up 3% in September for first 2020 gain**

The European Union passenger car market registered the first increase of the year in September, with registrations up 3.1% compared to 2019, according to the latest data published by the European Automobile Manufacturers Association (ACEA). New car sales reached 933,987 across the EU in September, with some of the major markets posting strong growth.

- rubbernews.com, 22 Oct

**Indian gov suggests continuation of anti-dumping duty on Chinese Synthetic Rubber**

The Commerce Ministry has recommended for continuation of anti-dumping duty on a Chinese synthetic rubber for five more years with a view to guard domestic players from cheap imports. In a notification, the ministry’s investigation arm Directorate General of Trade Remedies (DGTR) has said there is a “likelihood” of continuation of dumping of Fluoroelastomer and injury to domestic players if the existing anti-dumping duties are allowed to cease. The duty is aimed at ensuring fair trading practices and creating a level-playing field for domestic producers vis-a-vis foreign producers and exporters.

- business-standard.com, 22 Oct

**China’s auto sales will dip 3% in 2020, resume growth in 2021**

Overall auto sales in China are expected to drop 3% this year and return to growth next year, according to the Ministry of Industry and Information Technology, the regulator of China’s industrial sectors including automobiles. “According to institutions’ forecast, the decline in auto sales and production this year will be around 3%, with sales approaching 25 million (units),” said Huang Libin, a spokesman for the ministry, at a press conference in Beijing.

- autonews.com, 23 Oct

**China imposes anti-dumping measures on U.S., South Korea, EU rubber imports**

China’s Ministry of Commerce said that it will impose temporary anti-dumping measures on some rubber imports from the United States, South Korea, and the European Union from Oct. 28. Beijing will impose anti-dumping deposits on ethylene propylene diene monomer rubber imports from the countries and region, the ministry said in a statement on its website. The measures follow an investigation launched in June 2019.

- reuters.com, 23 Oct

**UK consumer sentiment falls by most since start of pandemic: GfK**

British consumer sentiment fell this month by the most since a slump at the start of the Covid-19 pandemic as lockdown restrictions tightened across much of the country, according to a long-running survey published. The GfK Consumer...
Confidence Index tumbled to -31 in October, its lowest level since late May and down sharply from a nine-month high of -25 in September, as well as being below all forecasts in a Reuters poll of economists. The six-point fall in the index in the space of a month was the largest since the 25 point decline recorded just after the start of the lockdown in March.

- reuters.com, 23 Oct

**MIER revises downwards Malaysia’s 2020 GDP projection to -5.5%**

The Malaysian Institute of Economic Research (MIER) is revising downwards its real gross domestic product (GDP) projection in 2020 for Malaysia to -5.5% amid a confluence of factors that weigh on the economy. The think tank said the projection was based on a deep decline of economic growth rate in the second quarter of -17.1%, the resurgence in Covid-19 cases and the re-implementation of the conditional movement control order (CMCO), as well as the absence additional government mitigation measures for the last quarter, especially for midsize small and medium enterprises (SMEs).

- thesundaily.my, 27 Oct

**Wave of new Covid-19 cases crashes across U.S. and Europe as winter looms**

The United States, Russia, France and many other countries are setting records for coronavirus infections as a tidal wave of cases washes over parts of the Northern Hemisphere, forcing some countries to impose new curbs. Night time curfews hit Spain and Italy. The gloom weighed on global financial markets as surging infections clouded the economic outlook.

- reuters.com, 27 Oct

**Rubber prices could hit Bt100 a kg**

The Rubber Authority of Thailand estimates that rubber prices could soon reach Bt100 per kg, significantly above the government’s guaranteed price, after many rubber producing nations reeled under floods while demand from China jumped due to the country’s local governments promoting the use of small vehicles.

“As of October 27 the price of third-grade smoked rubber sheet in Nakhon Si Thammarat was Bt77.72 per kg, about 30% higher than the guaranteed price of Bt60 per kg, while the price of latex was Bt68.5 per kg, about 20 per cent higher than the guaranteed Bt57,” said the authority’s governor Nakorn Tangavirapat. “We estimate that this year’s rubber exports would be roughly the same as last year's at 4.1 million tonnes, but the price will be around 30% higher than last year’s total export value of Bt187.12 billion,” he added.

- nationthailand.com, 28 Oct

**U.S. Auto Sales Chartbook: October 2020**

Sales of new vehicles have experienced a v-shaped recovery, increasing 36% in 3Q20 from the previous quarter. However, levels were 10% below the same quarter of the previous year. We expect total new vehicle sales to reach 14.5 million units in 2020, the lowest since 2012.

- fxstreet.com, 28 Oct

**U.S. economy posts record growth in third-quarter; Covid-19 scarring to last**

The U.S. economy grew at a historic pace in the third quarter as the government injected more than USD3 trillion worth of pandemic relief which fueled consumer spending, but the deep scars from the Covid-19 recession could take a year or more to heal. The 33.1% annualized growth rate reported by the Commerce Department, the last major economic scorecard before presidential election on 3rd Nov, did not ease the human tragedy inflicted by the Covid-19 pandemic, with tens of millions of Americans still unemployed and more than 222,000 dead.

- reuters.com, 29 Oct

**China’s tyre exports rise for 2nd straight month**

China saw tyre exports increase in September, marking the second straight month of growth and reversing the negative trend established over the first half of the year. The value of exports in September increased 6.9% to USD935 million, China’s General Administration of Customs said. Expressed in metric tonnes, exports jumped 16.6% from a year ago, to 630,000 tonnes. The increases in September follow gains in August of 8.2% in unit count, 3.5% in value, and 14.1% in tonnage.

- rubbernews.com, 29 Oct
China to increase incomes, expand middle class in 2021-2025 - state planner official

China will increase the incomes of low-income groups and expand middle class over the 2021-2025 period, Ning Jizhe, the vice head of the National Development and Reform Commission, said at a news conference in Beijing. China aims to let consumption play a basic role in supporting economic growth, said Ning. At the same conference, Han Wenxiu, a senior Communist Party official, said China will expand market access for foreign investors.

- reuters.com, 30 Oct

Japan's factory output rises for fourth month on jump in car, machinery production

Japan's industrial output rose for the fourth straight month in September as the world's third-largest economy continued to shake off the drag from the Covid-19 crisis largely thanks to improving external demand. Official data released showed factory output surged 4.0% in September from the previous month, mainly due to strength in car and production machinery manufacturing.

- reuters.com, 30 Oct

China's factory activity growth slows slightly in October

China’s factory activity expanded at a slightly slower pace in October but was slightly above analysts’ expectations, suggesting a continuing economic recovery as the country rebounds from the Covid-19 shock. The official manufacturing Purchasing Manager’s Index (PMI) fell to 51.4 in October from 51.5 in September, data from the National Bureau of Statistics showed, remaining above the 50-point mark that separates growth from contraction.

China’s vast industrial sector is steadily returning to the levels seen before the pandemic paralysed huge swathes of the economy. Pent-up demand, stimulus-driven infrastructure expansion and surprisingly resilient exports are propelling the rebound, though the global outlook is dimming as many Western countries battle renewed surges in the virus that causes Covid-19, with some going back into virus lockdowns.

- reuters.com, 31 Oct
Malaysia’s NR Exports by Countries, August 2020

Thailand 39.7%
Indonesia 5.4%
Others 42.3%
Philippines 9.6%

Total: 45,386 tonnes

Source: Department of Statistics Malaysia (DOSM)

Malaysia’s NR Imports by Countries, August 2020

Thailand 50.5%
Others 20.3%
Indonesia 7.3%
Vietnam 1.7%
Myanmar 2.1%
Philippines 18.0%

Total: 107,947 tonnes

Source: Department of Statistics Malaysia (DOSM)
Malaysia’s NR Exports by Types, August 2020°

- SMR 95.9%
- Others 0.2%
- Latex 3.9%

Total: 46,844 tonnes

Malaysia’s NR Consumption by Sectors, August 2020°

- Gloves 76.0%
- Rubber thread 8.1%
- Tyres & Tubes 7.4%
- Rubber Compound 0.3%
- Other products 8.1%

Total: 46,745 tonnes

Note: ° = provisional

Published by the Malaysian Rubber Board, 148 Jalan Ampang, 50450 Kuala Lumpur, Malaysia.
Tel: 603-9206 2000 Fax: 603-2161 6586