Natural Rubber Market Review

February

The Kuala Lumpur rubber market generally exhibited an uptrend in February buoyed by global COVID-19 vaccination progress, optimism on the United States (U.S.) - China relations, a weaker ringgit, optimism of clearing the USD 1.9 trillion stimulus in U.S. coupled with tighter natural rubber (NR) supply. Nevertheless, further gains were capped by the absence of the Chinese market players and slower manufacturing activities in China from the Lunar New Year break. Compared with those on 29 January 2021, the price of SMR 20 was up by 108.0 sen/kg or 17.2% to close at 737.50 sen/kg. Meanwhile, latex concentrate closed at 688.00 sen/kg, a surge of 156.0 sen/kg or 29.3 per cent. Price movements of selected grades of rubber in February 2021 are shown in Table 1.

The uptrend in February was influenced by China's business friendly policy as China reinforced policy support for foreign trade and ensure the smooth operations of supply chains. In addition, the People's Bank of China (PBOC) reported that banks in China extended 3.58 trillion yuan (USD555 billion) in new loans in January 2021, hitting the highest on record and topping the 3.34 trillion yuan seen in January 2020. PBOC kept the rate steady at 2.95% on a 200 billion-yuan (USD30.99 billion) worth of one-year medium-term lending facility (MLF) loans to financial institutions for a 10th straight month. Market players also celebrated news on the China Association of Automobile Manufacturers (CAAM) that reported China's auto sales in January 2021 surged 30% year-on-year to 2.5 million vehicles. The bullish sentiment was also boosted by the reaffirmation by U.S. Federal Reserve Chair Jerome Powell that interest rates would stay low for a long time, calming market and gave a fresh impetus to reflation trades, boosting risk asset prices while also driving U.S. bond yields back up to one-year highs. Market players also reacted positively to optimism of U.S.-China trade relation after the announcement that China is ready to enhance exchanges with the United States on the trade and economic fronts and look forward to working with U.S. colleagues to focus on cooperation and manage differences. Market prices were also boosted by gains in regional rubber futures markets, oil prices and a weaker ringgit against the U.S. dollar. The ringgit weakens against the US dollar in February 2021 at RM 4.0305- 4.0745, compared with RM 3.9965

<table>
<thead>
<tr>
<th></th>
<th>SMR CV</th>
<th>SMR 20</th>
<th>Centrifuged Latex (60% DRC)</th>
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<tr>
<td></td>
<td>sen/kg</td>
<td>RM/tonne</td>
<td>sen/kg</td>
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<tr>
<td>Highest</td>
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<td>2,600.00</td>
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Note: * Reference price of Centrifuged Latex, 60% DRC
Source: Malaysian Rubber Board
Reference Prices (Noon) for SMR 20 and Centrifuged Latex (60% DRC), February 2021
- 4.0600 in January 2021. Gains in regional rubber futures markets were driven by increased optimism about the developments of COVID-19 vaccines, wider market optimism over the pace of recovery in the U.S., after Chinese players return from their long Lunar New Year holidays. Meanwhile, gains in crude oil prices were underpinned by fears of fresh Middle East tensions, monetary easing policies and lower crude production in the United States following a rare winter storm in Texas. According to the Energy Information Administration (EIA), the exceptionally cold weather in Texas has caused U.S. crude production to drop by more than 10%, or 1 million barrels per day (bpd). Nevertheless, the declines in certain parts observed in February were due to losses in regional rubber futures markets from profit taking activities by investors from the recent rally coupled with weakness in global equities market. Market players also reacted negatively to losses in crude oil prices from a collapse in bond prices that resulted to a stronger U.S. dollar amid worries that Organization of the Petroleum Exporting Countries (OPEC) and allies, OPEC+, will pump in more supply to the market, given the recent jump in prices and expectations that demand will improve as pandemic lockdowns ease. Market sentiment was also damped by China’s slower manufacturing activities in February whereby the official manufacturing PMI recorded 50.6 after brief COVID-19-related disruptions earlier in the year and the Lunar New Year break. The bearish sentiment was further pressured by increased NR supply. Department of Statistics Malaysia (DOSM) reported that Malaysia’s production of natural rubber (NR) increased 17.1% in December 2020 to 49,825 tonnes as compared to 42,554 tonnes in the previous month. Exports of Malaysia's NR amounted 61,547 tonnes in December 2020, an increase of 8.9% against 56,522 tonnes in November 2020. Indonesia increased the maximum size of new rubber plantations to 23,000 hectares from 20,000 hectares previously.

**Outlook**

Prices are expected to be sustained at current levels supported by the progress of global COVID-19 vaccination, increased optimism about the developments of COVID-19 vaccines and tighter NR supply from wintering season in some parts of the natural rubber producing countries. On the other hand, the ANRPC in its Natural Rubber Trends & Statistics, January 2021 released on 9 February 2021 anticipated that the world production of natural rubber (NR) is estimated to decline by 7.7%, year-on-year (y-o-y), to 12.782 million tonnes for 2020. Meanwhile, the world demand for NR clocked at 12.827 million tonnes during 2020, contracted at 6.9% y-o-y. Prices are also expected to track the performance of ringgit, crude oil prices and regional rubber futures markets. Market players will also be monitoring the progress of U.S.-China relations, the implementation of China’s policy on foreign trade and the decision of U.S.’s USD 1.9 trillion COVID-19 stimulus.

**News Briefs**

*New chart shows China could overtake the U.S. as the world's largest economy earlier than expected*

China is set to overtake the United States as the world's largest economy a few years earlier than anticipated due to the COVID-19 pandemic, analysts said. The U.S. reported last week that gross domestic product in 2020 contracted by 2.3% to USD20.93 trillion in current-dollar terms, based on a preliminary government estimate.

In contrast, China said its GDP expanded by 2.3% last year to 101.6 trillion yuan. That's about USD14.7 trillion, based on an average exchange rate of 6.9 yuan per U.S. dollar, according to Wind Information data.

- cnbc.com, 1 Feb

*Rubber smallholders all set to gain*

The percentage of smallholders applying for the Rubber Production Incentive (IPG) is expected to increase this year, thus increasing their income by 25% per month, according to the Plantation Industries and Commodities Ministry.

Minister Datuk Dr Mohd Khairuddin Aman Razali said the IPG assistance would be channelled directly to smallholders without a manual application process after middlemen and rubber buyers were required to use the RRIMniaga application from 1st Jan this year. “With the help of IPG, the estimated income of smallholders is projected to increase by 25% from RM933 to
RM1,167 per month.

- thestar.com.my, 1 Feb

**CBO says U.S. economy set for faster 2021 rebound, complicating stimulus talks**

The U.S. economy will grow 4.6% in 2021 after contracting 3.5% in 2020, the Congressional Budget Office (CBO) said in a rosier forecast that could strengthen Republican resistance to President Joe Biden’s proposed USD1.9 trillion COVID-19 aid plan. The new forecasts, based on U.S. laws and policies enacted law through 12th Jan about a week before Biden took office predict that growth will taper off after 2021 to below 2% by 2031. But they are significantly stronger than the CBO’s previous economic forecasts issued in July, which predicted a 4% real GDP growth rebound in 2021 after a 5.8% contraction in 2020.

- reuters.com, 2 Feb

**U.S. private payrolls rebound; services industry activity gains steam**

U.S. private payrolls rebounded more than expected in January, suggesting the labor market recovery was back on track after the economy shed jobs in December as soaring COVID-19 infections hurt operations in the leisure and hospitality industry.

The ADP National Employment Report showed private payrolls increased by 174,000 jobs last month after dropping by 78,000 in December. Economists polled by Reuters had forecast private payrolls would rebound by 49,000 in January. The gains in hiring were broad, though the pace was half of the 347,000 monthly average job growth in the last six months of 2020.

- reuters.com, 3 Feb

**Trade to be part of Biden’s China strategy, not driving force: ex-USTR official**

Trade will be a part of President Joe Biden’s overall negotiation policy with China, but it won’t be the driving force in China-U.S. relations, as it was under former President Donald Trump, a former official at the Office of the U.S. Trade Representative (USTR) said. “There are fundamental differences on a host of issues between the United States and China that will be difficult to resolve,” Wendy Cutler, former assistant trade representative at the USTR, told the Reuters Global Markets Forum.

- reuters.com, 3 Feb

**OPEC+ sticks with oil policy as prices rise towards one-year high**

OPEC+ maintained its oil output policy at a meeting, a sign producers are happy that their deep supply cuts are draining inventories despite an uncertain outlook for a recovery in demand as the pandemic lingers. A Joint Ministerial Monitoring Committee of the Organization of the Petroleum Exporting Countries and allies, known as OPEC+, is “optimistic for (a) year of recovery in 2021,” OPEC said in a statement after the panel met virtually.

- reuters.com, 3 Feb

**Synthetic rubber and fibers global market report 2021: COVID 19 impact and recovery to 2030**

The global synthetic rubber (SR) and fibers market is expected to grow from USD196.44 billion in 2020 to USD237.78 billion in 2021 at a compound annual growth rate (CAGR) of 21%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach USD262.05 billion in 2025 at a CAGR of 2%.

- globenewswire.com, 3 Feb

**IMF to roll out new method to judge debt sustainability**

The International Monetary Fund (IMF) said it is launching a new method of assessing debt sustainability for countries with access to financial markets to more accurately predict risks of financial crises and improve transparency. The update of the debt assessment methodology, the
first since 2013 in the wake of a European sovereign debt crisis, is expected to be operational by the fourth quarter of 2021 or the first quarter of 2022, IMF officials said.

-U.S. factory orders beat expectations in December

New orders for U.S.-made goods rose more than expected in December and business spending on equipment was solid, pointing to continued strength in the manufacturing industry in the near term. The Commerce Department said that factory orders increased 1.1% after surging 1.3% in November.

Economists polled by Reuters had forecast factory orders gaining 0.7% in December. Orders dropped 6.6% year-on-year. Manufacturing, which accounts for 11.9% of the U.S. economy, has been driven by strong demand for goods such as electronics and furniture as 23.7% of the labor force works from home because of the COVID-19 pandemic.

-China sees surge in synthetic rubber exports

China's synthetic rubber (SR) exports surged 25% year-on-year (y-o-y) in 2020 to reach 200,000 metric tonnes, according to the China Synthetic Rubber Industry Association. Butadiene rubber (BR) had the largest export volume with more than 70,000 tonnes shipped. Styrene-butadiene rubber (SBR) was second with almost 50,000 tonnes, more than double from a year ago. China imported 1.4 million tonnes of SR 2020, up 11% on 2019, according to the industry association. SBR had the largest import volume, at nearly 400,000 tonnes, followed by BR and butyl rubber, both close to 300,000 tonnes.

-Area under rubber cultivation in northeast likely to expand

The area under natural rubber in the northeastern States of Tripura and Assam is likely to grow around 20,000 hectares this year with support from the rubber industry, which will join hands with the Rubber Board in an unprecedented partnership that ultimately aims to bring around two lakh hectares under fresh cultivation. Rubber Board sources said that a firm idea about the expansion of area under rubber would evolve by April this year. However, it is expected that fresh planting will begin by July-August. Supply of planting materials is one of the key issues that will be addressed, even as details of the plantation programme are being finalised.

-ANRPC releases Natural Rubber Trends January 2021

The outlook for world production of natural rubber (NR) is estimated to decline by 7.7%, year-on-year (y-o-y), to 12.782 million tonnes for 2020. The improved outlook for 2020 compared to the previous outlook published in last issue, is resulted from a better-than-expected production estimated from Thailand, India and Cambodia during the year. While the world demand for NR clocked at 12.827 million tonnes during 2020, contracted at 6.9% y-o-y. In addition to the positive sentiment in crude oil market may be advantageous to the commodities market.
**China economy: banks extended record 3.58 trillion yuan in new loans in January**

China’s new bank loans surged to new highs in January boosted by seasonal demand, while broad credit growth slowed, as the central bank walks a tightrope between supporting a recovering economy and rising debt risks.

Banks extended 3.58 trillion yuan (USD555 billion) in new loans in January, hitting the highest on record and topping the 3.34 trillion yuan seen in January 2020, according to data released by the People’s Bank of China (PBOC). Chinese lenders tend to front-load loans at the beginning of the year to get higher-quality customers and win market share.

- scmp.com, 9 Feb

**Monthly Rubber Statistics Malaysia, December 2020**

Production of natural rubber (NR) increased 17.1% in December 2020 to 49,825 tonnes as compared to 42,554 tonnes in the previous month. On the contrary, year on year showed a decrease of 14.7%. Exports of Malaysia’s NR amounted 61,547 tonnes in December 2020, an increase of 8.9% against 56,522 tonnes in November 2020. The stocks of NR decreased in December 2020 to 249,555 tonnes as compared to 259,443 tonnes in November 2020 with a decrease of 3.8%.

Total domestic consumption for NR was 42,356 tonnes, a decrease of 4.5% as compared to the previous month. Rubber gloves industry continues to dominate the use of NR with 31,498 tonnes or 74.4% from the total domestic consumption.

- dosm.gov.my, 10 Feb

**China’s factory prices snap year of declines as demand recovers**

China’s factory gate prices rose in annual terms in January for the first time in 12 months and at the fastest rate since May 2019, suggesting gathering growth momentum for the world’s second-largest economy. The producer price index (PPI) rose 0.3% from a year earlier, the

National Bureau of Statistics (NBS) said in a statement, but slightly lagged a 0.4% gain tipped by a Reuters poll of analysts. PPI declined 0.4% in December.

- reuters.com, 10 Feb

**Malaysia’s 4Q GDP contracts 3.4%, full-year 5.6%**

Malaysia’s gross domestic product (GDP) shrank further in the fourth quarter of 2020 (4Q20), registering a contraction of 3.4% compared to a decline of 2.7% in 3Q20, as the recovery of the economy was impacted by the tightening of movement restrictions. This brings full-year GDP performance in 2020 to a contraction of 5.6%, the biggest decline since 7.4% in 1998.

- theedgemarkets.com, 11 Feb

**U.S. tyre production tanked in 2020, dropping to 1950s level**

Production by U.S.-based tyre makers fell by double-digits last year in all key categories, including a 25.5% drop in passenger tyre output, reflecting the weeks and even months of suspended manufacturing at most U.S. tyre plants during March, April and May as companies dealt with the fallout of the COVID-19 pandemic. The production fall-offs light truck and medium truck tyre manufacturing was down 18.5% and 21% respectively were significant enough that the level of production was the lowest in decades.

- rubbernews.com, 12 Feb

**Turkish auto industry produces over 106,000 vehicles in January**

Automakers in Turkey produced 106,176 vehicles including automobiles and commercial vehicles this January, according to a sectoral report on 14th Feb. Turkey’s auto production fell 3% on a yearly basis, said the Automotive Manufacturers Association (AMA). Some 73% of the manufactured vehicles were exported, marking a 14% annual decline to 77,569 units last month.

- aa.com.tr, 14 Feb
**Japan extends economic recovery as exports, capex shake off COVID-19 pain**

Japan's economy expanded more than expected in the fourth quarter, extending its recovery from its worst postwar recession as a rebound in overseas demand boosted exports and capital expenditure. The world’s third-largest economy grew an annualized 12.7% in October-December, government data showed, marking the second straight quarter of increase and exceeding a median market forecast for a 9.5% gain.

External demand, or exports minus imports, added 1.0% point to fourth-quarter GDP growth. Capital expenditure grew 4.5%, marking the first increase in three quarters, the data showed.

- reuters.com, 15 Feb

**Yokohama develops AI system to predict rubber properties**

Yokohama has announced that it has successfully developed technology that enables AI to predict the physical properties of different rubber compounds. The system has already been implemented into the company's design process, and Yokohama envisages an acceleration of its compound development activities due to AI's ability to carry out a large number of virtual experiments in a shorter timescale. Alongside this, Yokohama predicts it will also see a reduction in development costs, with the system also enabling less-experienced engineers to create new rubber compounds.

- tiretechnologyinternational.com, 15 Feb

**Cambodia’s rubber export reach USD85 million in January**

Cambodia exported some 52,711 tonnes of rubber in January, generating around USD85 million for the national income. The update was shared by the Ministry of Agriculture, Forestry and Fisheries, adding that during the first month of this year, a tonne of rubber cost USD1,603 on average, a year-on-year (y-o-y) increase of 17%. Cambodia has in total 404,159 hectares of land surface for rubber plantations, producing 57,972 tonnes of rubber latex, up 17% compared to January 2020, continued the source.

- khmertimeskh.com, 17 Feb

**Europe auto sales resumed steep decline in January after reprieve**

Passenger-car sales in Europe's five biggest markets tumbled by more than a quarter last month after lockdowns to combat the pandemic shuttered dealerships and consumers shied away from large purchases. Registrations fell 28% across Germany, the U.K., France, Italy and Spain in January from the year-earlier period, according to Bloomberg Intelligence analyst Michael Dean. With lockdowns still in effect in several countries and carmakers grappling with a shortage of semiconductors, Dean said he sees February sales dropping 10%.

- theedgemarkets.com, 16 Feb

**New ACCA and IMA survey on global economy finds fragile confidence in early 2021**

The latest Global Economic Conditions Survey (GECS) from ACCA (the Association of Chartered Certified Accountants) and IMA (Institute of Management Accountants) found that global confidence in the fourth quarter of 2020 stalled and remains fragile at the start of 2021. The survey notes that the global economy contracted by around 4.5% in 2020, the biggest fall in global activity in several decades.

- cpapracticeadvisor.com, 16 Feb

**Additional fiscal stimulus powers U.S. retail sales; manufacturing output strong**

U.S. retail sales rebounded sharply in January after households received additional pandemic relief money from the government, suggesting a pick-up in economic activity after being restrained by a fresh wave of COVID-19 infections late last year. Retail sales surged by a seasonally adjusted 5.3% last month after decreasing 1.0% in December. Economists polled by Reuters had forecast sales increasing 1.1% in January. Retail sales increased 7.4% from a year ago.

- reuters.com, 17 Feb
**China decoupling would cost U.S. Billions, chamber says**

American companies would lose hundreds of billions of dollars if they slashed investment in China or the nations increased tariffs, the U.S. Chamber of Commerce said in a report highlighting the cost of a full decoupling of the world’s largest economies. American gross domestic product (GDP) would see a one-time loss of as much as USD500 billion should U.S. companies reduce foreign direct investment in China by half, the Washington-based business lobbying group said in a report.

Applying a 25% tariff on all two-way trade would trim U.S. GDP by USD190 billion annually by 2025, the group said in a joint study with Rhodium Group, a New York data and analytics firm.

- **bloomberg.com, 17 Feb**

**China rolls over 200 bln yuan of medium-term loans, rate unchanged**

China’s central bank rolled over maturing medium-term loans while keeping the interest rate unchanged for a 10th straight month. The People’s Bank of China (PBOC) said in a statement it was keeping the rate steady at 2.95% on 200 billion yuan (USD30.99 billion) worth of one-year medium-term lending facility (MLF) loans to financial institutions.

- **reuters.com, 18 Feb**

**Yellen says U.S. will keep tariffs on China in place for now**

The United States will keep tariffs imposed on Chinese goods by the former Trump administration in place for now, but will evaluate how to proceed after a thorough review, Treasury Secretary Janet Yellen told CNBC. “For the moment, we have kept the tariffs in place that were put in by the Trump administration ... and we’ll evaluate going forward what we think is appropriate,” Yellen told the cable news network, adding that Washington expected Beijing to adhere to its commitments on trade.

- **reuters.com, 18 Feb**

**China unveils plan to transform manufacturing sector with internet of things**

Beijing is looking to sharpen the global competitiveness of “Made-in-China” products with a new plan to accelerate the use of information technology in traditional manufacturing sectors. The country will embark on a technology-driven transformation of manufacturing to offset rising production costs and consolidate its position as the world’s workshop, according to the 2021-23 action plan unveiled by the Ministry of Industry and Information Technology.

- **scmp.com, 18 Feb**

**Japan’s Feb factory activity expands for first time in 22 months**

Japan’s factory activity expanded for the first time in 22 months in February, a private-sector survey showed, as strong export demand helped manufacturers shake off the drag from the COVID-19 pandemic. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers’ Index (PMI) improved to 50.6 from a final 49.8 in January.

- **reuters.com, 18 Feb**

**Automakers pause North American production on U.S. winter weather**

Freezing weather that interrupted gas supplies in the southern United States and Mexico was wreaking havoc on car manufacturing plants on both sides of the border, with Ford Motor Co, Nissan Motor Co Ltd and Toyota Motor Corp reporting disruptions to their assembly lines. The cold snap has overwhelmed Texas’ power grid, while natural gas supplies to Mexico from Texas were interrupted, leaving millions without power in Mexico’s industrial northern states earlier in the week.

- **reuters.com, 18 Feb**

**IMF dismisses inflation concerns of Biden stimulus plan**

Fears that inflation could spiral out of control due to a massive US stimulus package are overblown, IMF chief economist Gita Gopinath said Wednesday.
said. Her argument contradicted critics of US President Joe Biden’s proposed USD1.9 trillion (RM7.67 trillion) rescue package for the world’s largest economy, who say the amount is excessive, and even those Democratic economists who have also raised concerns about price spikes. Gopinath estimated that with the full amount of stimulus, inflation “would reach around 2.25% in 2022, which is nothing to be concerned about,” she said in a blog post.

- malaymail.com, 20 Feb

**U.S. House budget panel approves USD1.9 trillion COVID-19 aid bill**

The U.S. House of Representatives Budget Committee approved legislation with USD1.9 trillion in new COVID-19 relief, advancing a top priority of President Joe Biden toward a full House vote on passage expected later this week.

The measure passed the panel on a largely party-line vote of 19-16, as the U.S. death toll from the COVID-19 pandemic surpassed the grim benchmark of 500,000 victims. Millions more have been left jobless by the pandemic.

- reuters.com, 22 Feb

**Indonesia keeps max plantation area for palm in new law, increases rubber’s**

Indonesia has issued a new regulation for plantations, among dozens of rules issued by its government to allow the implementation of an “omnibus” jobs creation law approved last year. According to a document seen by Reuters, Indonesia has assigned maximum areas for growth of various commodities. The maximum size of new rubber plantations has been increased to 23,000 hectares from 20,000 hectares previously.

- reuters.com, 22 Feb

**Tyre factory rolls out hopes for rubber sector**

The Council for the Development of Cambodia has approved a final registration certificate for Cart Tire Co Ltd’s USD15 million tyre factory in QLiu Bavet Special Economic Zone in Svay Rieng province’s Bavet town. General Directorate of Rubber director-general Pol Sopha welcomed the project, saying it will absorb a great deal of the Kingdom’s unprocessed rubber, which is mostly exported.

“A tyre factory in the country is wonderful news,” he said. “We’ve been advocating for growth in the rubber industry and have invited investors to capture a slice of the industry pie and process our rubber into various finished tyres.

- phnompenhpost.com, 22 Feb

**World Bank: Malaysia GDP to recover in 2021 on effective vaccine deployment**

Malaysia’s economy is expected to return to positive growth this year, along with other economies globally on the sustained progress in the vaccine rollouts that will boost consumption worldwide, the World Bank Group said. Its Macroeconomics, Trade and Investment Global Practice lead economist, Richard Record said the group expects the vaccine deployment can be mostly completed in 2021 in most economies, leading to strong recovery and demand, as well as boosting trade and commodity prices.

- thestar.com.my, 22 Feb

**Government will continue to assist rubber glove industry, says Mohd Redzuan**

The government will continue to assist the manufacturing sector, especially the rubber glove industry to maintain Malaysia’s position as a main player in the supply of rubber gloves for the global health industry. Minister in the Prime Minister’s Department (Special Functions) Datuk Seri Mohd Redzuan Md Yusof said this was also in line with Malaysia’s status as a major producer of rubber gloves globally with exports valued at RM2.9 billion in October last year.

- theedgemarkets.com, 23 Feb
Fed to keep policy easy, stay patient as US economy revives

Amid market expectations the Fed may be forced to tighten monetary policy sooner than expected, top US central bankers delivered a simple message to investors fixated on rising US bond yields and price risks: Do not expect any changes until the economy is clearly improving. Testifying before the House of Representatives Financial Services Committee, Fed Chair Jerome Powell emphasized the US central bank’s promise to get the economy back to full employment, with little worry about inflation unless prices begin rising in a persistent and troubling way.

- reuters.com, 25 Feb

China says ready to enhance exchanges with U.S. on trade, economic front

China is ready to enhance exchanges with the United States on the trade and economic fronts, Wang Wentao, the country’s new Commerce Minister, said. He looks forward to working with U.S. colleagues to focus on cooperation and manage differences, Wang told reporters in a news conference.

- reuters.com, 24 Feb

China to reinforce policy support for foreign trade, Commerce Minister says

China will reinforce policy support for foreign trade and ensure the smooth operations of supply chains, Wang Wentao, the new Commerce Minister, said. China’s foreign trade outlook remains grim and complex this year over uncertainties from COVID-19 and supply and industrial chains, Wang told a news conference.

- reuters.com, 24 Feb

Cutting restrictive trade policies could boost global economic recovery from COVID-19 by 3.4%, finds International Chamber of Shipping

Countries around the world could boost their prospects of economic recovery from COVID-19 by reducing restrictive maritime trade policies, the International Chamber of Shipping (ICS) has found. An ICS report, entitled ‘Protectionism in Maritime Economies’ and co-authored with Professor Craig Van Grasstek of the Harvard Kennedy School of Government, found that reducing trade protectionism could see GDP gains for national economies increase by up to 3.4%. The report found that high-income countries could see an average increase of 4.5% in their goods exports if they were to loosen tariff and non-tariff restrictions on trade. Developing economies would experience an even greater increase, of 7%, if they reduced their restrictions in a ‘modest and equal’ way.

- hellenicshippingnews.com, 24 Feb

Rubber gloves market: dipping technology helps in creating high quality rubber gloves

According to the report, the global rubber gloves market was valued over USD 2.8 Billion in 2019 and is projected to expand at a compound annual growth rate (CAGR) of 8.5% from 2020 to 2030. Rubber gloves are protective hand covers worn to reduce human exposure to dangerous or harmful environments. Rubber hand gloves are used in various industrial and medical applications.

- biospace.com, 24 Feb

Indonesia sees 2021 natural rubber output up 8.3% y/y

Indonesia natural rubber (NR) output is expected to increase to 3.12 million tonnes this year, data from the country's agriculture ministry showed. This is 8.3% higher than the 2.88 million tonnes of NR produced last year. Indonesia's 2020 rubber exports stood at 2.46 million tonnes, 1.6% lower than 2019, the data showed.

- reuters.com, 25 Feb

Anticipating a 2021 boom, fourth-quarter GDP is revised up slightly to 4.1%

The U.S. economy grew at a 4.1% pace in the final three months of 2020, slightly faster than first estimated, ending a year in which the overall economy, ravaged by a global pandemic, shrunk more than in any year in the past seven decades. The influx of new government stimulus efforts and
accelerated vaccine distribution could lift growth in the current quarter, ending in March, to 5% or even higher, economists believe. The 4.1% gain in the gross domestic product, the broadest measure of economic health is a slight upward revision from 4% growth in the first estimate released a month ago, the Commerce Department reported.

-G20 to pledge support for robust post-COVID recovery, cash for IMF

The world’s financial leaders are likely to pledge to support a robust global recovery and to boost the International Monetary Fund’s (IMF) resources so it can help poorer countries fight off the effects of the global health crisis. Finance ministers and central bank governors of the world’s top 20 economies, called the G20, will hold a video-conference and the global response to the unprecedented havoc wreaked by the COVID-19 on the economy will top the agenda.

-China’s economy could grow 8-9% this year from low base in 2020: central bank adviser

China’s gross domestic product (GDP) could expand 8-9% in 2021 as it continues to rebound from the COVID-19 pandemic, Liu Shijin, a policy adviser to the People’s Bank of China (PBOC), said. This speed of recovery would not mean China has returned to a “high-growth” period, said Liu, as it would be from a low base in 2020, when China’s economy grew 2.3%.

-Japan’s January factory output rises for first time in three months, retail sales drop

Japan’s industrial output rose for the first time in three months in January thanks to a pickup in global demand, in a welcome sign for an economy still looking to shake off the drag of the COVID-19 pandemic. Official data released showed factory output advanced 4.2% in January, boosted by sharp rises in production of electronic parts and general-purpose machinery, as well as a smaller increase in car output.

-Malaysian economy expected to turn positive this year on COVID-19 vaccine roll out

Malaysia’s economy is expected to show better prospects in the next few months based on the Leading Index performance which recorded 108.8 points in December 2020 compared with 101.6 points in the same month in 2019, as well as maintaining the annual growth of 7.1% since November 2020. The Department of Statistics Malaysia (DoSM) chief statistician Datuk Seri Dr Mohd Uzir Mahidin said as countries globally including Malaysia are in the process of launching the COVID-19 vaccine programmes, Malaysia together with the global economies were projected to return to positive growth this year.

-China’s factory activity expands at a slower pace in February -official PMI

China’s factory activity expanded in February at a slower pace than a month earlier, missing market expectations after brief COVID-19-related disruptions earlier in the year. The official manufacturing Purchasing Manager’s Index (PMI) fell to 50.6 from 51.3 in January, data from the National Bureau of Statistics (NBS) showed.
Malaysia’s NR Imports by Countries, December 2020

- Thailand: 29.0%
- Indonesia: 0.5%
- Others: 54.5%
- Total: 104,038 tonnes

Malaysia’s NR Exports by Countries, December 2020

- China: 53.8%
- Others: 18.2%
- Total: 56,522 tonnes

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

- SMR: 97.4%
- Latex: 2.6%
- Others: 0.1%
- RSS: 0.0%

Total: 61,547 tonnes

Malaysia’s NR Consumption by Sectors, December 2020

- Gloves: 74.4%
- Other products: 9.2%
- Tyres & Tubes: 7.1%
- Rubber thread: 8.6%
- Rubber Compound: 0.3%
- Other products: 9.2%

Total: 42,356 tonnes

Source: Department of Statistics Malaysia (DOSM)