Natural Rubber Market Review

March

The Kuala Lumpur rubber market in March eased sharply lower in lackluster trade due to poor global market sentiment as fears over the economic impact of the COVID-19 pandemic continued to weigh on investors’ sentiment. Price of SMR 20 tumbled to the lowest level since February 2016 at 456.00 sen/kg on 30 March 2020, dragged down by poor performance of regional rubber futures markets and after oil prices plunged 39% in March as compared with the previous month. Nevertheless, further losses were capped by a weakening of ringgit against the U.S dollar. Compared with those on 28 February 2020, the price of SMR 20 fell sharply by 91.5 sen/kg or 16.7% to close at 457.50 sen/kg. Meanwhile, latex concentrate closed at 412.50 sen/kg, decreased by 46.5 sen/kg or 10.1%. Price movements of selected grades of rubber in March are shown in Table 1.

The decline in March was mainly influenced by limited trading by the nationwide Movement Control Order (MCO) from 18th to 31st March 2020 in order to control the spread of COVID-19 outbreak. The bearish sentiment was also caused by regional rubber futures markets that tumbled to their lowest levels in nearly four years owing to broader sell off by market players as most of the automakers across the world are shutting down their factories, underlining shrinking demand for tyre. Market prices was further dragged down by crude oil prices which declined 39% in March as compared to previous month due to combination of excess supply and shrinking demand. U.S. crude fell to USD20.09 per barrel on 30 March, its lowest level since Feb 2002 while Brent oil dropped to USD22.74, its lowest level since 2003 resulting from oil price war between Saudi Arabia and Russia that was triggered after Organization of the Petroleum Exporting Countries (OPEC) and its allies failed to reach an agreement on production cuts. Market players were also affected by unfavourable data from China including declining auto sales. It was reported that China’s industrial output fell by a much more than expected 13.5% in January-February from the same period a year earlier, the weakest reading since January 1990 due to the fast spreading COVID-19 and the strict containment measures in China. According to the China Association of Automobile Manufacturers (CAAM), China’s February auto sales tumbled by 79% to 310,000 vehicles from a year earlier, falling for a 20th straight month. The market reacted negatively to the unfavourable Malaysia’s

Table 1: Reference Prices (Noon) of SMR CV, SMR 20 and Centrifuged Latex (60% DRC), March 2020

<table>
<thead>
<tr>
<th></th>
<th>SMR CV</th>
<th></th>
<th>SMR 20</th>
<th></th>
<th>Centrifuged Latex (60% DRC)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>sen/kg</td>
<td>RM/tonne</td>
<td>sen/kg</td>
<td>RM/tonne</td>
<td>sen/kg</td>
</tr>
<tr>
<td>Highest</td>
<td>785.00</td>
<td>7,850.00</td>
<td>554.50</td>
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<td>459.00</td>
</tr>
<tr>
<td>Lowest</td>
<td>706.50</td>
<td>7,065.00</td>
<td>456.00</td>
<td>4,560.00</td>
<td>412.00</td>
</tr>
<tr>
<td>Average</td>
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<td>7,461.10</td>
<td>517.45</td>
<td>5,174.50</td>
<td>435.66</td>
</tr>
<tr>
<td>Change from the last day of the previous month</td>
<td>-77.50</td>
<td>-775.00</td>
<td>-91.50</td>
<td>-915.00</td>
<td>-46.50</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) for the period 1 April 2019 - 31 March 2020.
natural rubber (NR) statistics in January 2020 as reported by the Department of Statistics Malaysia (DOSM) in March. Malaysia's NR production increased 13.3% in January 2020 to 66,232 tonnes as compared to the previous month. Meanwhile, total domestic consumption of NR in January 2020 was 42,015 tonnes, a decrease of 22.9% against 54,477 tonnes as reported in December 2019. Market sentiment was further dragged down by excess rubber supply as predicted by the Association of Natural Rubber Producing Countries (ANRPC). According to preliminary estimates by ANRPC, the world production of NR increased by 1.8% to 3.074 million tonnes, year-over-year, during the first quarter of 2020. Meanwhile, the world consumption of NR was estimated to fall by 19.6% to 2.724 million tonnes, year-over-year, during the first quarter of 2020.

The positive factors that capped the decline throughout the month includes the weakening of ringgit against the U.S. dollar, stimulus measures by governments coupled with stronger China manufacturing PMI. The ringgit extended its downtrend against the US dollar in March to RM4.1655 – 4.4450, as compared with February at RM4.1155 – 4.2395 due to lingering worries over COVID-19 pandemic which has curbed traders' risk appetite. In addition, the market was encouraged by a series of stimulus measures from central banks and governments around the world, including a USD2.2 trillion U.S. package to support economy impacted by COVID-19 pandemic. Sentiment was lifted as China’s official Purchasing Managers’ Index (PMI) rose to 52.0 in March from a collapse to a record low of 35.7 in February, but outlook still gloomy.

**Outlook**

Prices in the Kuala Lumpur rubber market are expected to remain weak amid a general lack of firm direction from supply-demand fundamentals. The rapid global spread of the COVID-19 is expected to keep businesses and the overall economy under heavy pressure following sluggish demand. Quiet conditions are expected in the rubber market due to restricted movement order by many countries in the world in order to prevent COVID-19 outbreak. The Malaysian government has decided to extend the Movement Control Order (MCO) for another two weeks until 14 April 2020. The ANRPC anticipates the global NR consumption to fall 1.5% in 2020 to 13.532 million tonnes while the world NR production to increase 2.2% to 14.112 million tonnes. The International Monetary Fund (IMF) expects 2020 world growth to be below the 2.9% rate for 2019 as IMF has slashed its 2020 growth outlook for China to below 5.6% due to the COVID-19 pandemic. IMF reported that the COVID-19 pandemic will cause a global recession this year that could be worse than the one triggered by the global financial crisis of 2008 to 2009, but world economic output is expected to recover in 2021.

**Rubber Briefs**

**Rubber falls to second place in export value, despite rise in foreign sales**

Laos earned USD153.4 million from rubber exports in 2017, rising to USD168.1 million in 2018 and to almost USD217.5 million last year, according to the Ministry of Industry and Commerce. But the crop fell to second place as an agricultural export earner after topping the list in 2018. In 2017 the price of rubber slumped to 3,000-4,000 kip per kg due to an oversupply on the global market, but is now selling for 5,000-6,000 kip, according to agriculture officials. The export value of rubber is increasing as the number of rubber trees being tapped increases. The export value of rubber sold by Laos to China last year hit USD96.66 million and USD119.9 million worth of rubber was sold to Vietnam, but no figures were recorded for Thailand in 2018 and 2019.

- factiva.com, 2 Mar

**Malaysia’s manufacturing PMI drops in February as COVID-19 affects supply, demand**

Malaysia’s manufacturing purchasing managers’ index (PMI) fell to 48.5 in February, from 48.8 in January, as the manufacturing sector was adversely impacted by shortfalls of inputs and falls in export orders from China due to the COVID-19 outbreak. In a report today, IHS Markit said the latest survey data showed Malaysia’s manufacturing sector facing a challenging month in February as the delivery of key raw materials from China was disrupted by the COVID-19 outbreak.

- theedgemarkets.com, 2 Mar
Japan’s factory activity shrinks at fastest pace since 2016 on COVID-19 hit: PMI

Japan’s factory activity was hit by its sharpest contraction in nearly four years in February, raising a red flag over manufacturing in the world’s third-largest economy as the impact from the COVID-19 outbreak spreads. The manufacturing slowdown offers the clearest evidence yet of the epidemic’s damaging effects on global growth and businesses and is likely to ramp up pressure on Japanese policymakers to boost growth. The au Jibun Bank Japan Manufacturing Purchasing Managers’ Index (PMI) slipped to a seasonally-adjusted 47.8 from a final 48.8 in the previous month. The February reading was its lowest since May 2016.

- reuters.com, 2 Mar

Sailun plans to double truck, bus tyre capacity in China

Sailun Group Co. Ltd. plans to double capacity for radial truck and bus tyres at its plant in Liaoning to 6 million units a year by 2022, the company disclosed Feb. 28. Sailun said at about a third of expanded production is targeted for overseas markets such as South America, Africa and other Asian areas. The tyre maker said it expects truck and bus tyre demand from Brazil, Columbia, Thailand, Malaysia and Vietnam to total 1 million units in 2020. The company, the No. 18 tyre maker worldwide, also announced in January the completion of an expansion of capacity for passenger tyres at its Dongying, China, factory, which will boost that plant's annual capacity to 27 million units a year.

- rubbernews.com, 2 Mar

IMF cuts global growth forecast amid COVID-19 spread

The International Monetary Fund (IMF) warned that the global economic growth this year would fall below last year's levels, urging countries to spend significant resources to manage the epidemic. "We, unfortunately, over the last week, have seen a shift to a more adverse scenario for the global economy," the IMF Managing Director, Kristalina Georgieva told reporters. "Under any scenario, we see growth in 2020 falling below the level of 2019," she added. The IMF in January had estimated 2019 global growth at 2.9% and 2020 growth at 3.3 per cent. In February, the Fund said the outbreak could shave 0.1% from 2020 growth.

- nytimes.co.rw, 5 Mar

COVID-19: IMF again cuts 2020 China growth forecast as COVID-19 shakes the global economy

The International Monetary Fund (IMF) has slashed its 2020 growth outlook for China to below 5.6% because of the "sheer geographic spread" of the COVID-19 epidemic globally, IMF managing director Kristalina Georgieva said. Last month, the IMF forecast the outbreak could lower China’s economic growth this year to 5.6% – 0.4% below the organisation’s January estimate.

- scmp.com, 5 Mar
China exports plummet by 17% as COVID-19 takes its toll

China’s exports plummeted in the first two months of the year as the COVID-19 outbreak disrupted global supply chains, damped business activity and blocked transport across the world’s second-largest economy. China’s overall exports contracted by 17.2% in dollar terms in January and February, more than expected by economists polled by Bloomberg. Imports fell by 4 per cent. China posted a trade deficit of USD7.1bil in the first two months of the year. The slowing of imports raises doubts that China will be able to meet its target in its trade deal with the US.

- ft.com, 9 Mar

Rubber, tyre industries deals with uncertainty from COVID-19

At the Tyre Industry Association (TIA), CEO Roy Littlefield III said his trade group is keeping a close eye on COVID-19 developments as they could have an impact on his organization's event scheduling. TIA members meet around the country and around the world, so any virus outbreaks or travel restrictions could impact the organization. "So we are monitoring that as to how it impacts upcoming export fairs that we participate in." The U.S. Tyre Manufacturers Association represents 13 companies with 58 tyre-related manufacturing locations spread across 17 states.

- rubbernews.com, 10 Mar

Rubber tax rate adjusted to assist struggling farmers

Cambodian Prime Minister Hun Sen has signed a sub-decree to completely exempt export tax on rubber that is sold below the market price of USD1,400 per tonne, adjusting from the previous USD1,000 per tonne market rate. Mr Hun Sen said the export tax has been adjusted to assist local rubber plantations after calls from the private sector to help the struggling rubber industry in Cambodia. The sub-decree stated that rubber will now start being taxed USD25 per tonne if the market price is over USD1,400, USD50 per tonne between USD1,800 and USD2,500, USD100 per tonne over USD2,500 and USD200 per tonne over USD3,500 per tonne. The newly adjusted tax rates will come into effect in April this year.

- khmertimeskh.com, 10 Mar

U.K. Chancellor Sunak announces USD39 billion stimulus for COVID-19

The U.K. pledged a 30 billion pound (USD39 billion) emergency boost to spending as Boris Johnson’s government battles to stop the COVID-19 outbreak wrecking its economy. After the Bank of England made a surprise interest-rate cut, Chancellor of the Exchequer Rishi Sunak set out a coordinated response to the greatest threat to the world economy for more than a decade.

- bloomberg.com, 11 Mar

Australia unveils USD 11.4 bln stimulus to curb COVID-19 impact

Australia's government said it would pump AUD17.6 billion (USD11.4 billion) into the economy to prevent the COVID-19 outbreak from pushing the country into its first recession in nearly 30 years. The country's first stimulus package since the 2008 global financial crisis, which helped Australia avert a recession then, illustrates the lengths the government will take to pare the economic impact of the outbreak. Despite only affecting about 120 people in Australia so far, economists are expecting the widening epidemic to cause a recession in the second quarter.

- uk.reuters.com, 12 Mar

World Health Organization calls COVID-19 outbreak "pandemic" for first time

The World Health Organization described the new COVID-19 as a pandemic for the first time on 11 March, adding that Italy and Iran were now on the frontline of the disease and other countries would soon join them.

- reuters.com, 12 Mar

China automakers seek government relief after February sales dive 79% on COVID-19

Automakers in China are calling on the government to help after industry-wide sales plunged 79% in February to mark their biggest ever monthly decline, with demand pummelled by the COVID-19 outbreak. Their wish list includes cuts to the purchase tax on smaller vehicles, measures to support sales in rural markets and an easing of car emission requirements, the China Association of Automobile Manufacturers (CAAM) said. February sales in the world’s biggest auto
market tumbled to 310,000 vehicles from a year earlier, falling for a 20th straight month.

- reuters.com, 12 Mar

U.S. excludes some Chinese medical products from tariffs

The U.S. Trade Representative's office said it granted exclusions from import tariffs for some medical products imported from China, including face masks, stethoscope covers and blood pressure cuff sleeves. The exclusions were granted as the United States grapples with a COVID-19 outbreak that threatens to strain its healthcare system. Earlier this month, USTR granted exclusions for other Chinese medical products, including hand sanitizing wipes and examination gloves. The deal leaves in place tariffs on about USD 370 billion worth of imports from China, including 25% duties on goods valued at around USD 250 billion.

- globalrubbermarkets.com, 13 Mar

Global Industrial Rubber Market (2019 to 2026)
- CAGR of 5.2% expected during the forecast period

The global industrial rubber market was valued at USD29.8 billion in 2018 and is projected to reach USD44.6 billion by 2026, growing at a CAGR of 5.2% from 2019 to 2026. The rise in demand for industrial rubber from automotive industry is expected to offer growth to the global industrial rubber market. Asia-Pacific is one of the growing markets where rubber is utilized at a large scale.

- finance.yahoo.com, 16 Mar

EU economy likely to shrink 1% in 2020 because of COVID-19: Commission

The EU economy is likely to shrink 1% this year as a result of the COVID-19, a European Commission document showed, but officials said internal Commission estimates were more pessimistic and pointed to a recession of even 2.5%. “Given that real GDP growth was forecast to be 1.4% for the EU in 2020, this would imply it could fall to just over -1% of GDP in 2020, with a substantial but not complete rebound in 2021,” it said.

- globalrubbermarkets.com, 17 Mar

Carmakers put brakes on European production as COVID-19 hits

Carmakers including Fiat Chrysler, Peugeot and Volkswagen cut production at European plants on 16 March as they grappled with the COVID-19 crisis and diving demand. Fiat Chrysler Automobiles (FCA) is halting production for two weeks at most of its European plants to help protect staff and adjust to a slump in demand. French carmaker PSA, which owns the Peugeot, Opel and Vauxhall brands, also said it was closing its European factories until March 27. Renault said it would suspend industrial activities in France, closing 12 sites and sending home 18,000 employees until further notice. The COVID-19 crisis has hit the European automotive industry at a time when it is already struggling with weak global demand and tough new

SGX unveils SGD5 million care package as part of COVID-19 relief measures

The Singapore Exchange (SGX) has rolled out a SGD5 million care package to "provide support and relief measures amid the COVID-19 outbreak". The SGX care package will benefit national healthcare-support programmes, Singapore-listed companies as well as SGX employees and contract staff. The move is aimed at bolstering "efforts by the financial community to reinforce the city-state's resilience as a global marketplace", SGX said in a news release on March 16.

- channelnewsasia.com, 16 Mar

Natural rubber production in January 2020 increased 13.3 per cent

Malaysia’s natural rubber production increased 13.3% in January 2020 to 66,232 tonnes as compared to the previous month. Meanwhile comparison year on year showed a decrease of 13.0% as compared to the same month in the previous year. Exports of Malaysia’s natural rubber amounted 45,827 tonnes, decreased by 9.3% against 50,516 tonnes in December 2019. The primary natural rubber export destination is People’s Republic of China with a share of 44.3% from total exports in January 2020 followed by Germany (13.4%), Finland (5.1%), U.S.A (4.1%) and Italy (3.3 per cent). Stocks of NR in January 2020 was 288,586 tonnes as compared to 245,002 tonnes in December 2019, an increase of 17.8 per cent.

- dosm.gov.my, 13 Mar
World Bank adds USD2 billion to funds available for COVID-19 response

The World Bank said it had increased to USD14 billion the amount of fast-track financing available to members to respond to the global COVID-19 pandemic, adding USD2 billion to an initial package announced on March 3. The change will give the World Bank’s International Financing Corp a total of USD8 billion to support private companies and their employees hurt by economic impacts of the virus, the bank said. It said the bulk of the funding would be used by client financial institutions so they can continue to offer trade financing, working capital and medium-term financing to private firms struggling with disruptions in supply chains.

- reuters.com, 19 Mar

Rubber glove makers to ramp up production — MARGMA

Malaysian rubber glove manufacturers will step up production as the COVID-19 pandemic rages across the world, according to the Malaysian Rubber Glove Manufacturers Association (MARGMA). In a statement, MARGMA president Denis Low said it is the manufacturers’ duty to further step up productivity to cater to the enormous requirements for protective medical gloves. “We expect the world’s demand for natural and synthetic rubber medical gloves to be about 345 billion pieces this year while it was only 298 billion in 2019. ‘Malaysia is looking to export about 65% or about 225 billion pieces or more depending on the spread and duration of COVID-19,” he said.

- theedgemarkets.com, 18 Mar

ECB to print 1 trillion euro this year to stem COVID-19 rout

The European Central Bank launched new bond purchases worth EUR750 billion at an emergency meeting late on 18 March in a bid to stop a pandemic-induced financial rout shredding the euro zone’s economy and renew concerns about the bloc’s viability. Under pressure to act to bring down borrowing costs for indebted, virus-stricken countries such as Italy, the ECB launched a new, dedicated bond-purchase scheme, bringing its planned purchases for this year to EUR1.1 trillion with the newly agreed buys alone worth 6% of the euro area’s GDP. The bond purchases will continue until the “crisis phase” of the epidemic is over and non-financial commercial paper will also be included for the first time among eligible assets.

- reuters.com, 19 Mar

Yokohama signs MOU with Rubber Authority of Thailand

A new partnership between Yokohama and the Rubber Authority of Thailand seeks to strengthen the natural rubber supply chain. The partnership will provide economic support to natural rubber farmers in Thailand, and also improve the traceability, transparency and strength of the rubber supply chain. The agreement is part of Yokohama’s Procurement Policy for Sustainable Natural Rubber, which will be following up on surveys conducted last June by rubber processing subsidiary, Y.T Rubber Co., on natural rubber plantations in Surat Thani, Thailand.

- tiretechnologyinternational.com, 19 Mar

Global economy already in recession on COVID-19 devastation

The global economy is already in a recession as the hit to economic activity from the COVID-19 pandemic has become more widespread, according to economists polled by Reuters amid a raft of central bank stimulus actions this week. The spread of the disease caused by the virus, COVID-19, has sent financial markets into a tailspin despite some of the biggest emergency stimulus measures since the global financial crisis announced by dozens of central banks across Europe, the Americas, Asia and Australia.

- reuters.com, 20 Mar

COVID-19 impact will be severe but ‘temporary,’ says IMF chief strategist

The COVID-19 outbreak’s impact on the global economy will be severe but will it be a “temporary crisis,” according to the International Monetary Fund’s (IMF) director of strategy, Martin Muhleisen.

In a podcast released by the fund, Muhleisen said each individual in the world will feel the economic fallout of...
the COVID-19 outbreak, but rest assured that there will be a recovery process.

- dailysabah.com, 22 Mar

**China talks up post-virus rebound as world economy shuts down**

China’s government is talking up the prospects for a rapid economic rebound from the COVID-19, even as the global economy sees further lockdowns to curb the spreading disease. The premier, who leads economic policy making, and a senior central-bank official, have pointed to the control of the outbreak and the resumption of activity as reasons for optimism with regards to China’s outlook. People’s Bank of China Deputy Governor Chen Yulu signaled reporters in Beijing that the government would continue its current moderate stimulus policies. Consisting so far of adjustments to tax policy, trimmed interest rates, cheaper loans, and extra liquidity.

- theedgemarkets.com, 23 Mar

**COVID-19: Agencies, NGOs in commodity sector come to government’s aid**

Several government agencies and non-governmental organisations (NGOs) in the country’s commodity sector have come forward to contribute essential medical and protective items for health professionals and workers responding to COVID-19. The Malaysian Palm Oil Association (MPOA), which has over 120 members, has donated items such as ventilators, COVID-19 test kits, hand sanitizers, face masks, and personal protective clothing worth RM5 million to the Ministry of Health and NGOs.

The Malaysian Rubber Export Promotion Council (MREPC), an agency under the Ministry of Plantation Industries and Commodities, and the Malaysian Rubber Glove Manufacturers Association (MARGMA) have pledged to donate five million medical rubber gloves to the Ministry of Health and agencies such as the Royal Malaysia Police, Immigration Department, and Fire and Rescue Department.

- thesundaily.my, 23 Mar

**CICC: China’s 2020 GDP growth could fall to 2.6% due to COVID-19**

The Chinese economy could slip to a 2.6% annual growth rate in 2020 because of the global pandemic triggered by the COVID-19, China International Capital Corporation Limited (CICC), a top national investment bank, said in a research report. "The COVID-19 pandemic has expanded rapidly globally and began to show signs of ‘infecting’ the financial markets. As a result, we have adjusted our projections for China’s real GDP growth in 2020 from 6.1% to 2.6 per cent,” Sputnik news agency quoted the CICC as saying in the report.

- malaymail.com, 23 Mar

**US unemployment could surge to 30% next quarter and GDP might plunge 50%, Fed’s Bullard warns**

US unemployment could surge nearly 10-fold to 30% next quarter and gross domestic product could plummet 50% as the novel COVID-19 shuts down a big chunk of the economy, a senior Federal Reserve official told Bloomberg. "This is a planned, organized, partial shutdown of the US economy in the second quarter," James Bullard, president of the St. Louis Fed, said in the phone interview. "It is a huge shock and we are trying to cope with it and keep it under control."

- markets.businessinsider.com, 23 Mar

**Germany to unveil major stimulus as virus death toll rises throughout Europe**

Germany is about to unveil new measures to mitigate the economic impact of the COVID-19. Germany is planning to increase borrowing by as much as 150 billion euros (USD160 billion) this year as well as to pass a 156 billion euro (USD167 billion) supplementary budget. The government led by Chancellor Angela Merkel is also setting up a 500-billion-euro bailout fund to take stakes in critical industries, according to various media reports.

- cnbc.com, 23 Mar

**Fed signals unlimited QE, adds aid for companies, municipalities**

The Federal Reserve on 23 March announced a massive second wave of initiatives to support a shuttered U.S. economy, including buying an unlimited amount of bonds to keep borrowing costs low and setting up programs to ensure credit flows to corporations and state and local governments. The Fed will buy Treasuries and agency mortgage-backed securities and will also
buy agency commercial mortgage-backed securities, according to a statement. The Fed had said a week ago it would buy at least USD500 billion of Treasuries and USD200 billion of agency MBS. Under the new programs the Fed will take on a slew of efforts, many aimed at directly aiding employers and households, as well as cities and states.

- globalrubbermarkets.com, 24 Mar

**IMF sees global recession in 2020, recovery in 2021**

The Covid-19 pandemic will cause a global recession this year that could be worse than the one triggered by the global financial crisis of 2008 to 2009, but world economic output should recover next year, the International Monetary Fund (IMF) said. She said the IMF would step up emergency finance massively, noting that 80 countries had already requested help and that the IMF stood ready to deploy all of its USD1 trillion in lending capacity. Investors have already removed USD83 billion from emerging markets since the start of the crisis, the largest capital outflow ever recorded, Ms Georgieva said.

- straitstimes.com, 25 Mar

**U.S. Senate passes USD2 trillion COVID-19 relief bill**

The U.S. Senate overwhelmingly backed a USD2 trillion bill aimed at helping unemployed workers and industries hurt by the COVID-19 epidemic, as well as providing billions of dollars to buy urgently needed medical equipment. After bitter negotiations, the deeply divided Senate came together and passed the bill by a unanimous 96-0 vote, which sent the massive stimulus package to the House of Representatives, which could vote sometime this week. The package is intended to flood the economy with cash in a bid to stem the impact of an intensifying epidemic.

- reuters.com, 25 Mar

**Singapore plans a massive USD 33.2 billion package to tide its economy through the Covid-19 outbreak**

Singapore has set aside another 48 billion Singapore dollars (USD33.17 billion) to support its businesses and households after official preliminary estimates showed the Southeast Asian economy shrinking by more than expected in the first quarter of this year. The additional spending on stimulus came just a month after the country announced 6.4 billion Singapore dollars (USD4.4 billion) of economic and health-care measures to tide through the ongoing Covid-19 pandemic. To fund the new measures, Heng said the government will draw up to 17 billion Singapore dollars (USD11.78 billion) from the country’s reserves

- cnbc.com, 26 Mar

**India announces USD22.5 billion stimulus package to help those affected by the lockdown**

India announced an economic stimulus package worth 1.7 trillion rupees (USD22.5 billion) designed to help millions of low-income households cope with a 21-day lockdown due to the Covid-19 outbreak. The package will be disbursed through food security measures for poor households and through direct cash transfers, said India’s Finance Minister Nirmala Sitharaman.

- cnbc.com, 26 Mar

**U.S. auto sales in states with COVID-19 lockdown orders to drop 80%: analysts**

Vehicle sales in U.S. states that implemented lockdown orders to curb the spread of the COVID-19 will drop 80% or more, analysts said. Auto retail sales through the week of March 22 declined 22% nationwide on a yearly basis and as much as 40% in some cities on the U.S. West Coast, according to an analysis by research firm J.D. Power, based on data from dealership stores around the country. “We expect to see a much broader and wider impact from these restrictions next week with sales declining 80% or more,” said Tyson Jominy, the firm’s vice president of data and analytics.

- reuters.com, 26 Mar

**G20 leaders to inject USD5 trillion into global economy in fight against Covid-19**

Leaders of the Group of 20 major economies pledged to inject over USD5 trillion into the global economy to limit job and income losses from the Covid-19 and “do whatever it takes to overcome the pandemic.” Showing more unity than at any
time since the G20 was created during the 2008-2009 financial crisis, the leaders said they committed during a videoconference summit to implement and fund all necessary health measures needed to stop the virus’ spread.

- reuters.com, 26 Mar

**Sumitomo Rubber Industries develops reduced odor natural rubber**

Having successfully identified the factors that cause natural rubber to emit an odor, Sumitomo Rubber Industries has developed reduced odor natural rubber – a new type of natural rubber that emits significantly less odor. It is made from a special raw material processing technique, which was devised at Sumitomo Rubber Group’s natural rubber processing plant in Thailand. It achieves a reduction in odor by suppressing the breakdown of odor-causing non-rubber components (such as proteins and lipids) that are found within natural rubber in its raw state.

- tiretechnolog yarninternational.com, 26 Mar

**Rubber license holders must operate during MCO period - MPIC**

The Ministry of Plantation Industries and Commodities (MPIC) has reminded all rubber license holders to operate normally during the Movement Control Order (MCO) period to ensure continued operation of the country’s rubber industry. Compliance with the directive is in the best interests of everyone from smallholders to rubber processors and rubber products manufacturers as well as consumers, said MPIC. “Failure to operate would result in action being taken against premises that have closed, including revocation of the license by the Malaysian Rubber Board (LGM),” the ministry said in a press statement. It said this directive will be implemented throughout the MCO period until April 14, 2020 or until further notice from the ministry.

- theedgemarkets.com, 26 Mar

**Fed balance sheet tops USD5 trillion for first time as it enters Covid-19 war mode**

The U.S. Federal Reserve’s balance sheet soared past USD5 trillion in assets for the first time this week as it scooped up bonds and extended loans to banks, mutual funds and other central banks in its unprecedented effort to backstop the economy in the face of the global Covid-19 pandemic.

- reuters.com, 27 Mar

**China may issue new policies to stimulate auto demand: vice industry minister**

China may issue new policies to stimulate demand for automobiles, with the country’s auto industry still facing difficulties, Xin Guobin, Vice Minister of Industry and Information Technology. Autos account for a big portion of China’s overall industrial production, and are the main driver of the country’s retail sales. China is also working to help its auto spare parts manufacturers resolve cash flow problems, Xin said.

- reuters.com, 30 Mar

**China unexpectedly cuts reverse repo rate by most in 5 years to support virus-hit economy**

China’s central bank unexpectedly cut the rate on reverse repurchase agreements by 20 basis points, the largest in nearly five years, as authorities ramped up steps to relieve pressure on an economy ravaged by the Covid-19 pandemic. The People’s Bank of China (PBOC) announced on its website that it was lowering the 7-day reverse repo rate to 2.2% from 2.4%, but it did not give a reason for the move.

- economictimes.indiatimes.com, 30 Mar

**Natural Rubber Trends & Statistics March 2020 - ANRPC**

According to preliminary estimates by the Association of Natural Rubber Producing Countries (ANRPC), the world production of NR increased by 1.8% to 3.074 million tonnes, year-over-year, during the first quarter of 2020. Meanwhile, the world consumption of NR was estimated to fall by 19.6% to 2.724 million tonnes, year-over-year, during the first quarter of 2020. The ANRPC anticipates the global NR consumption to fall 1.5% in 2020 to 13.532 million tonnes while the world NR production to increase 2.2% to 14.112 million tonnes.

- ampc.org, 30 Mar
**Pandemic to hit growth in Asia, China: World Bank**

The Covid-19 pandemic is expected to sharply slow growth in developing economies in East Asia and the Pacific as well as China, the World Bank said in an economic update. The bank said precise growth forecasts were difficult, given the rapidly changing situation, but its baseline now called for growth in developing economies in the region to slow to 2.1% in 2020, and to -0.5% in a lower-case scenario, compared to estimated growth of 5.8% in 2019.

- reuters.com, 31 Mar

**China’s Yunnan to invest about USD42 billion in transportation this year**

China’s southwestern Yunnan province plans to invest more than 300 billion yuan (USD42.32 billion) this year for various public transportation projects, including railways and airports, the official Xinhua News Agency reported. The province’s transport authority will also invest in waterways as well as logistics centers and distribution centers, according to the report.

- reuters.com, 31 Mar

**Covid-19 to cost global economy USD1 trillion**

UN economists have warned that the deadly Covid-19 epidemic could cost the global economy USD1 trillion this year and called on governments to ramp up spending to mitigate its impact. A new report from the United Nations Conference on Trade and Development (UNCTAD), a Geneva-based UN agency, concluded that the spread of COVID-19 will push some countries into recession and will significantly slow growth in the world economy as a whole.

- factiva.com, 31 Mar

**China’s March official factory activity unexpectedly expands after steep contraction**

Factory activity in China unexpectedly expanded in March after contracting sharply to a record low, but the rapid global spread of the Covid-19 is expected to keep businesses and the overall economy under heavy pressure as foreign demand slumps. The Purchasing Managers' Index (PMI) rose to 52 in March from the collapse to a record low of 35.7 in February, China’s
Malaysia's NR Imports by Countries, January 2020

- Thailand: 37.7%
- Indonesia: 0.8%
- Myanmar: 3.8%
- Cambodia: 0.0%
- Vietnam: 0.9%
- Philippines: 10.7%
- India: 0.1%
- Others: 45.9%

Total: 134,868 tonnes

December 2019

- Thailand: 50.9%
- Indonesia: 1.1%
- Vietnam: 1.6%
- Cambodia: 0.1%
- Myanmar: 3.8%
- India: 8.1%
- Others: 34.4%

Total: 104,524 tonnes

Source: Department of Statistics Malaysia (DOSM)

Malaysia's NR Exports by Countries, January 2020

- China: 44.3%
- USA: 4.1%
- Iran: 13.4%
- Germany: 10.1%
- Finland: 5.1%
- Brazil: 2.1%
- Turkey: 1.7%
- Others: 24.1%

Total: 45,827 tonnes

December 2019

- China: 55.9%
- France: 1.7%
- Taiwan: 1.7%
- USA: 3.7%
- Finland: 3.6%
- Brazil: 2.0%
- Turkey: 2.2%
- Others: 18.3%

Total: 50,516 tonnes

Note: *p* = provisional

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

Total: 45,827 tonnes

Source: Department of Statistics Malaysia (DOSM)

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