

REFERENCE PRICE FOR SMR 20 (FREE ON BOARD)

(2 JANUARY - 31 DECEMBER 2019)

sen/kg

700

680

660

640

620

600

580

560

540

520

500

480

460

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Jan - Mar

- Tight supplies due to wintering season in major rubber producing countries.
- Announcement by Thai government to reduce output to 3.0 million mt over the next five years from 4.5 million currently.

Apr - June

- Export cutbacks of 240,000 tonnes of NR under the 6th Agreed Export Tonnage Scheme (AETS) of International Tripartite Rubber Council (ITRC) beginning 1 April 2019.
- Suspended tapping activity in Yunnan, China following prolonged drought.
- Outbreak of fungal disease (*Pestalotiopsis*) in Sumatera, Indonesia.

Oct - Dec

- Uncertainty of trade deal between U.S and China.
- A major trading company in China which imports 1.6 million tonnes of rubber a year has halted rubber purchases and terminated all unfinished contracts.
- China auto sales recorded a continuous decline for 17 months in Nov 2019
- Full compliance of Thailand, Indonesia and Malaysia in export curbs under 6th AETS of ITRC.
- Rubber inventories in SHFE fell 53% to 228,282 mt in 29 Nov.
- Supply disruption due to fungal disease and wet weather in major rubber producing countries.

Jul - Sept

- TSR 20 listed in Shanghai Futures Exchange (SHFE) effective from 12 Aug.
- Sluggish demand, rising China's NR stocks and weaker China's manufacturing activity.
- China's third-quarter economic grew 6.0%, weakest pace in almost three decades.