PRICES OF SMR 20 (MRB) AND RSS 3 (TRA), US CENTS/KG (JANUARY - NOVEMBER 2024)

Jan-Mar

- Global NR shortage to bad weather conditions and wintering season
- More stimulus from China.
- Improved Chinese car sales.
- China manufacturing activity growth in March
- IMF upgraded forecast for global economic growth higher to 3.1%.
- Gains in regional rubber futures markets and crude oil prices in Feb.
- Weaker ringgit against U.S. dollar
- Growth of global electric vehicle sales.
- Concerns over China's slowing economy, China's Q4 GQP less than expected. China's 2023 GDP at 5.2%.
- China's 2024 GDP target at 5% with lesser funds.
- Expectations of higher interest U.S. rate longer. U.S. interest rates unchanged until March 2024.
- Profit taking & technical correction in regional rubber futures markets in March.
- Rising geopolitical tensions in the Middle East.
- Volatile benchmark crude oil prices.
- Renewed concerns of global economic condition & uncertain global economic trade in 2024.

Apr- Jun

- Encouraging NR outlook reported by ANRPC. Demand (1.262 million tonnes) greater than production (996,000 tonnes).
- Continuous decline of NR production & low global supply due to adverse weather conditions & shipping issues
- China 2024 Q1 GDP recorded 5.3% year-on-year (y-o-y).
- Encouraging automobile sales.
- Declining China rubber stocks.
- Firmer advice in regional rubber futures markets in May.
- World Bank anticipates steady 2024 global GDP at 2.6%.
- The IMF revised up global GDP growth forecast to 3.2% for 2024 and 2025.
- Weaker ringgit against the U.S. dollar in April, stronger ringgit in May.
- March U.S. Consumer Price Index (CPI), rose faster than expected at 3.5%.
- Fluctuating oil prices.
- China's NR import declined by 18.4% y-o-y in Q1 2024.
- Weaker Chinese economic data in May & Jun
- Concerns that U.S. interest rates will remain higher for longer.
- Weaker advice from regional rubber futures markets in April & profit taking in Jun
- Escalated tensions in the Middle East.
- New U.S. tariff on Chinese imports
- EU tariff on Chinese electric cars beginning July.

Jul- Sep

- NR supply disruption from rains in major NR producing countries.
- Concerns of rubber shortage.
- U.S. Federal Reserve cut its benchmark rate by 50 basis points to 4.75%-5.00% in September
- Declining China rubber stocks.
- Increased NR imports in U.S. and EU.
- Biggest stimulus from China launched.
- Brighter NR demand outlook estimated by ANRPC.

Jul- Sep

- Mixed Chinese economic performance.
- Uncertainties in U.S. politics & escalating Middle East geopolitical tensions.
- Fluctuating crude oil prices with a fall in Sep
- Stronger ringgit against the U.S. dollar.

Oct- Nov

- Concerns of rubber shortage.
- Improved Chinese economic data especially in manufacturing boosted by continuous stimulus.
- NR Supply disruption due to heavy rains in major NR producing countries.

Oct- Nov

- Chinese Q3 GDP higher than expected at 4.6%.
- Brighter NR demand outlook and NR deficit reported by ANRPC.
- Weaker ringgit against the U.S. dollar in Nov after strengthening in Oct.
- Mixed regional rubber futures markets performance.
- Uncertainties in U.S. politics in Oct before Donald Trump was reelected as President.
- Approval to delay EUDR implementation
- Mixed U.S. economic data and uncertain U.S. monetary policy.
- IMF projects 2024 & 2025 GDP at 3.2% amid weaker long-term growth prospects and rising threats.
- Worries over U.S. trade tariffs and trade wars.
- Losses in crude oil prices.