

# PRICES OF SMR 20 (MRB) AND RSS 3 (TRA), US CENTS/KG (JANUARY - DECEMBER 2021)

US cents/kg

260

250

240

230

220

210

200

190

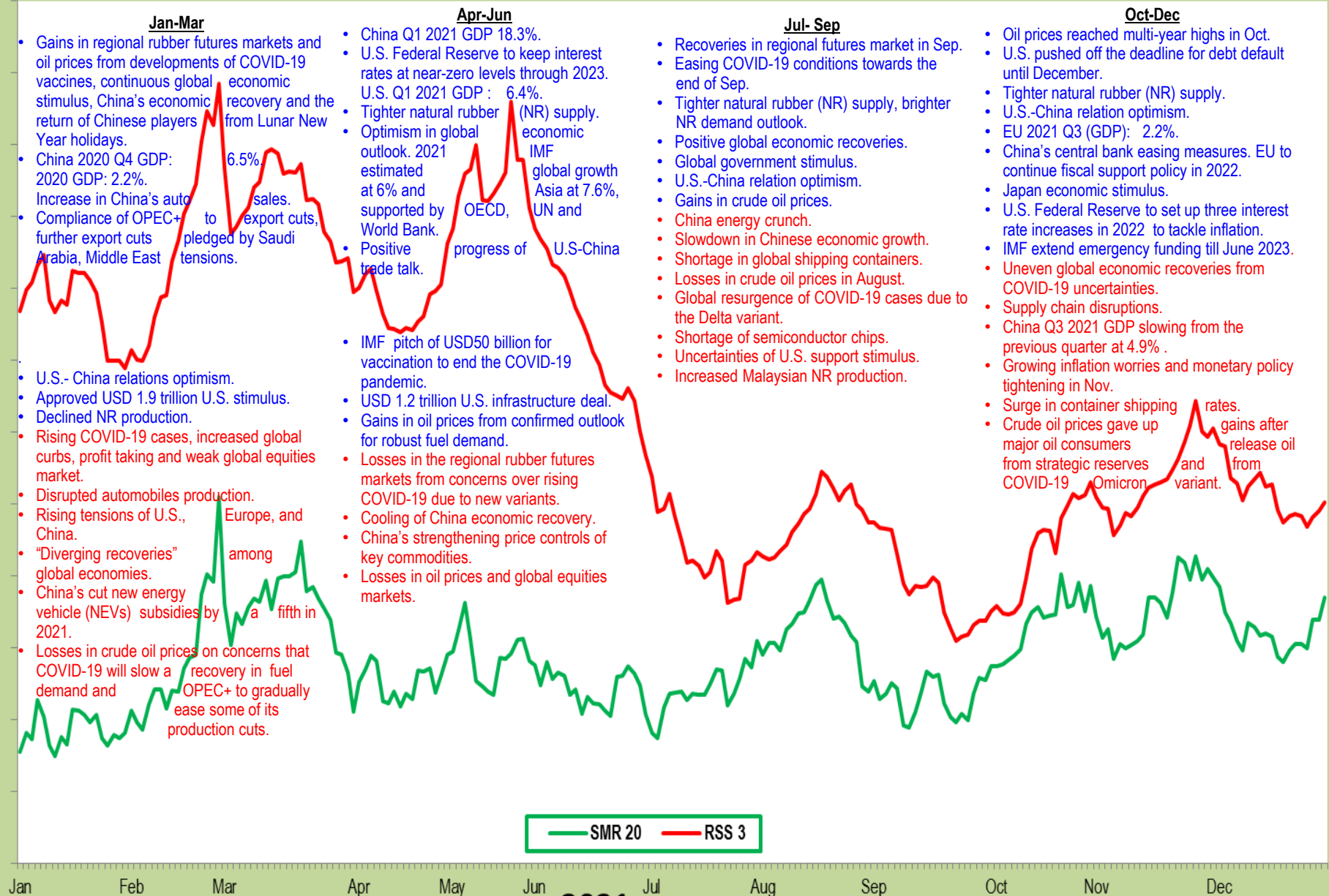
180

170

160

150

140



## Jan-Mar

- Gains in regional rubber futures markets and oil prices from developments of COVID-19 vaccines, continuous global economic stimulus, China's economic recovery and the return of Chinese players from Lunar New Year holidays.
- China 2020 Q4 GDP: 2.2%. Increase in China's auto sales.
- Compliance of OPEC+ to export cuts, further export cuts pledged by Saudi Arabia, Middle East tensions.
- U.S.- China relations optimism.
- Approved USD 1.9 trillion U.S. stimulus.
- Declined NR production.
- Rising COVID-19 cases, increased global curbs, profit taking and weak global equities market.
- Disrupted automobiles production.
- Rising tensions of U.S., Europe, and China.
- "Diverging recoveries" among global economies.
- China's cut new energy vehicle (NEVs) subsidies by a fifth in 2021.
- Losses in crude oil prices on concerns that COVID-19 will slow a recovery in fuel demand and OPEC+ to gradually ease some of its production cuts.

## Apr-Jun

- China Q1 2021 GDP 18.3%.
- U.S. Federal Reserve to keep interest rates at near-zero levels through 2023. U.S. Q1 2021 GDP : 6.4%.
- Tighter natural rubber (NR) supply.
- Optimism in global economic outlook. 2021 estimated at 6% and supported by World Bank.
- Positive trade talk.
- IMF pitch of USD50 billion for vaccination to end the COVID-19 pandemic.
- USD 1.2 trillion U.S. infrastructure deal.
- Gains in oil prices from confirmed outlook for robust fuel demand.
- Losses in the regional rubber futures markets from concerns over rising COVID-19 due to new variants.
- Cooling of China economic recovery.
- China's strengthening price controls of key commodities.
- Losses in oil prices and global equities markets.

## Jul-Sep

- Recoveries in regional futures market in Sep.
- Easing COVID-19 conditions towards the end of Sep.
- Tighter natural rubber (NR) supply, brighter NR demand outlook.
- Positive global economic recoveries.
- Global government stimulus.
- U.S.-China relation optimism.
- Gains in crude oil prices.
- China energy crunch.
- Slowdown in Chinese economic growth.
- Shortage in global shipping containers.
- Losses in crude oil prices in August.
- Global resurgence of COVID-19 cases due to the Delta variant.
- Shortage of semiconductor chips.
- Uncertainties of U.S. support stimulus.
- Increased Malaysian NR production.

## Oct-Dec

- Oil prices reached multi-year highs in Oct.
- U.S. pushed off the deadline for debt default until December.
- Tighter natural rubber (NR) supply.
- U.S.-China relation optimism.
- EU 2021 Q3 (GDP): 2.2%.
- China's central bank easing measures. EU to continue fiscal support policy in 2022.
- Japan economic stimulus.
- U.S. Federal Reserve to set up three interest rate increases in 2022 to tackle inflation.
- IMF extend emergency funding till June 2023.
- Uneven global economic recoveries from COVID-19 uncertainties.
- Supply chain disruptions.
- China Q3 2021 GDP slowing from the previous quarter at 4.9% .
- Growing inflation worries and monetary policy tightening in Nov.
- Surge in container shipping rates.
- Crude oil prices gave up gains after major oil consumers release oil from strategic reserves and from COVID-19 Omicron variant.

— SMR 20 — RSS 3

2021

Note: Blue – Bullish sentiment Red – Bearish sentiment