

# PRICES OF SMR 20 (MRB) AND RSS 3 (TRA), US CENTS/KG (JANUARY 2018 - DECEMBER 2019)

US cents/kg

220

210

200

190

180

170

160

150

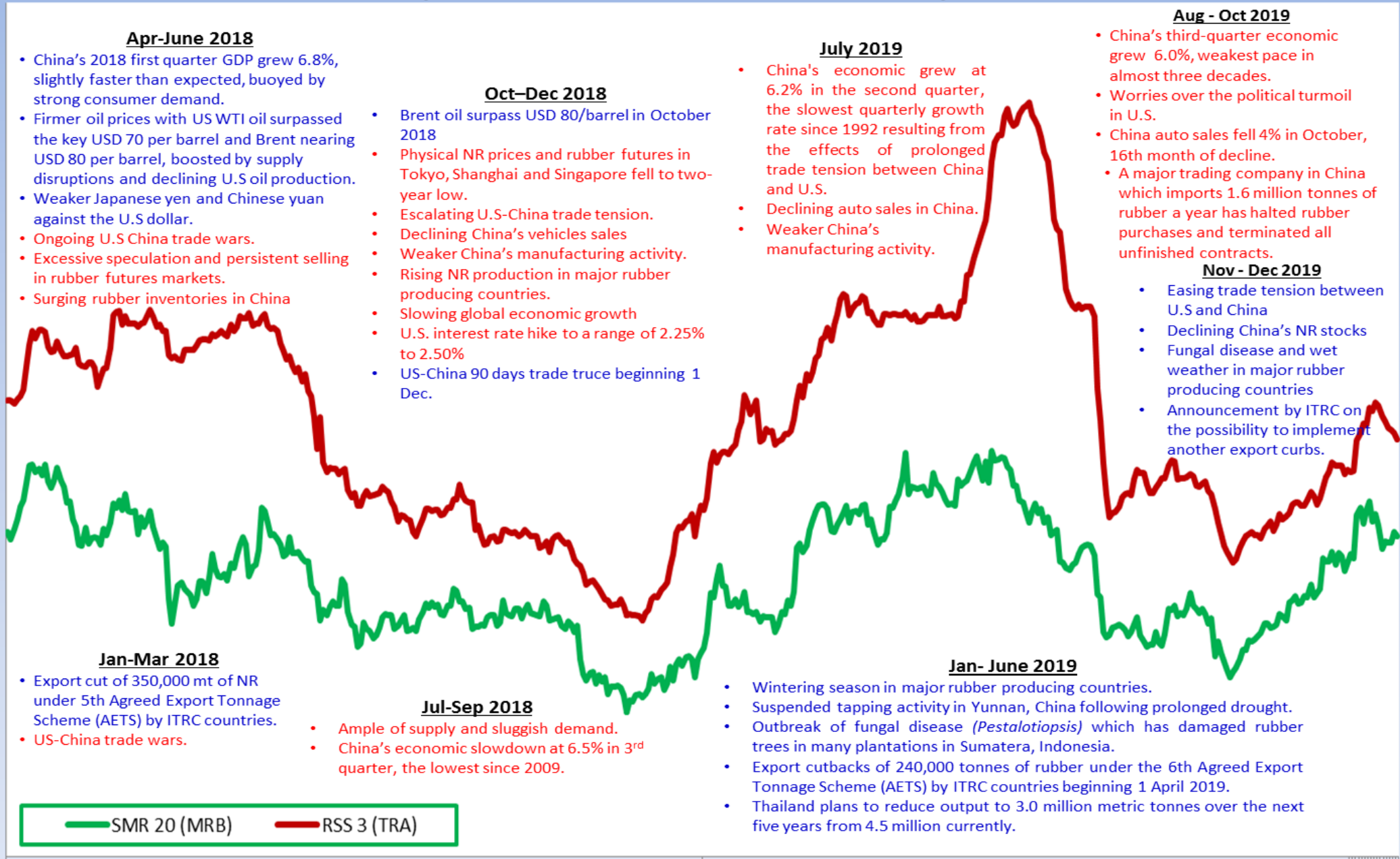
140

130

120

110

100



### Apr-June 2018

- China's 2018 first quarter GDP grew 6.8%, slightly faster than expected, buoyed by strong consumer demand.
- Firmer oil prices with US WTI oil surpassed the key USD 70 per barrel and Brent nearing USD 80 per barrel, boosted by supply disruptions and declining U.S oil production.
- Weaker Japanese yen and Chinese yuan against the U.S dollar.
- Ongoing U.S China trade wars.
- Excessive speculation and persistent selling in rubber futures markets.
- Surging rubber inventories in China

### Oct-Dec 2018

- Brent oil surpass USD 80/barrel in October 2018
- Physical NR prices and rubber futures in Tokyo, Shanghai and Singapore fell to two-year low.
- Escalating U.S-China trade tension.
- Declining China's vehicles sales
- Weaker China's manufacturing activity.
- Rising NR production in major rubber producing countries.
- Slowing global economic growth
- U.S. interest rate hike to a range of 2.25% to 2.50%
- US-China 90 days trade truce beginning 1 Dec.

### July 2019

- China's economic grew at 6.2% in the second quarter, the slowest quarterly growth rate since 1992 resulting from the effects of prolonged trade tension between China and U.S.
- Declining auto sales in China.
- Weaker China's manufacturing activity.

### Aug - Oct 2019

- China's third-quarter economic grew 6.0%, weakest pace in almost three decades.
- Worries over the political turmoil in U.S.
- China auto sales fell 4% in October, 16th month of decline.
- 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.

### Nov - Dec 2019

- Easing trade tension between U.S and China
- Declining China's NR stocks
- Fungal disease and wet weather in major rubber producing countries
- Announcement by ITRC on the possibility to implement another export curbs.

### Jan-Mar 2018

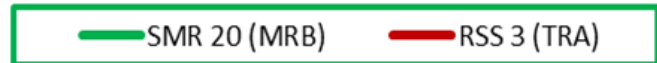
- Export cut of 350,000 mt of NR under 5th Agreed Export Tonnage Scheme (AETS) by ITRC countries.
- US-China trade wars.

### Jul-Sep 2018

- Ample of supply and sluggish demand.
- China's economic slowdown at 6.5% in 3<sup>rd</sup> quarter, the lowest since 2009.

### Jan- June 2019

- Wintering season in major rubber producing countries.
- Suspended tapping activity in Yunnan, China following prolonged drought.
- Outbreak of fungal disease (*Pestalotiopsis*) which has damaged rubber trees in many plantations in Sumatera, Indonesia.
- Export cutbacks of 240,000 tonnes of rubber under the 6th Agreed Export Tonnage Scheme (AETS) by ITRC countries beginning 1 April 2019.
- Thailand plans to reduce output to 3.0 million metric tonnes over the next five years from 4.5 million currently.



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

2018

2019