

The Japan Rubber Futures Weekly Report:

18 Dec - 22 Dec 2023

Japan: Trade Balance -JPY 776.9B in Nov, CPI higher at +2.8% y/y and Core CPI +2.5% y/y in Nov. BOJ Maintained -0.1% key rate

Rubber Futures Report:

Global rubber futures closed the week higher across all major exchanges, recovering weeks of selling pressure. Bargain hunting and modest consumer demand contributed to the positive momentum. On OSE and SICOM, trading volume substantially decreased as traders closed positions before the year-end holidays. SHFE and INE saw increased trading volume, primarily led by short covering as indicated by declining open interest. Overall, market sentiment has stabilized, and there could be an emergence of light buying interest. The Vietnam Rubber Group (VRG) reported revenue of \$2.51 billion, driven by rubber exports of 1.87 mil tonnes and an additional \$1.8 billion from rubber woods in the first 11 months. In Mexico, China's Sailun tire manufacturer, a joint company with TD International Holding, is set to establish its first North American tire factory in Leon. Japan's Honda has become the first Japanese company to manufacture passenger EVs in Thailand, with sales scheduled to commence in the 1Q of 2024. The BoJ kept its policy rate unchanged at -0.1% and maintained the yield range under its YCC policy. China's CFO showed optimism about its economy in a working conference, saying that economic conditions will improve in 2024. WTI crude oil prices closed higher following reports of Russia reducing its exports by 1% and attacks by Yemen's militants on ships in the Red Sea, raising concerns about potential supply disruptions. WTI closed at \$73.49, reaching a weekly high of \$75.37. U.S. consumer confidence rose to 110.7 in December, initially prompting a brief sell-off in equity markets, but prices rebounded towards the end of the week.

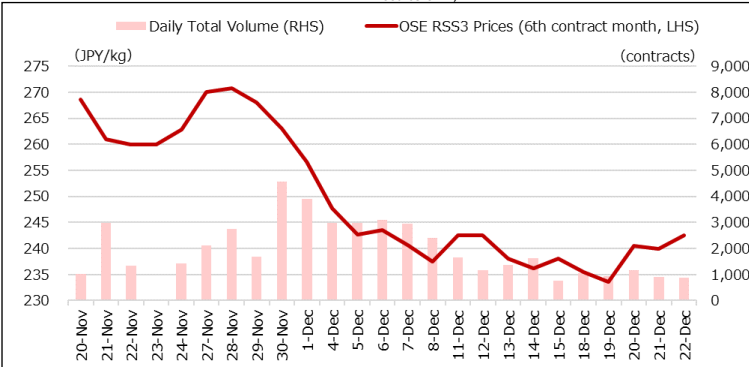
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX JRF	Last (THB)	Net
Dec 23	245.0	+14.2	SCR/RSS Jan 24	13,670	+320	Jan 24	147.5	+3.0	Apr 24	244.9	+8.8
Jan 24	235.7	+2.8	SCR/RSS May 24	13,850	+335	Feb 24	147.6	+3.0	May 24	245.6	+8.8
Feb 24	237.0	+3.5	Total Vol.	1,266,729	+235,270	Mar 24	147.8	+2.6	SHFE BR	Last (CNY)	Net
Mar 24	237.5	+4.2	Total OI	229,970	-7,966	Apr 24	148.4	+2.6	Jan 24	11,965	+340
Apr 24	240.3	+4.1	INE TSR Feb 24	10,485	+165	May 24	149.1	+2.4	Feb 24	11,990	+355
May 24	242.5	+4.4	INE TSR Mar 24	10,615	+160	Jun 24	149.5	+2.4	Mar 24	12,025	+365
Total Vol.	4,917	-1,615	Total Vol.	330,045	+86,630	Total Vol.	39,737	-11,300	Total Vol.	234,614	+66,089
Total OI	5,484	+50	Total OI	108,525	-2,177	Total OI	69,197	+635	Total OI	65,079	-1,238

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEEX, ICEX, MCK



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 10 Dec)	3,716	+521
Shanghai SHFE Rubber Stocks (ton, 22 Dec)	186,201	+6,080
Shanghai INE Rubber Stocks (ton, 22 Dec)	121,463	+4,212
China Vehicle Total Sales (unit, 30 Nov 23)	2,970,122	+117,552
China Passenger Car Sales (unit, 30 Nov 23)	2,604,370	+116,497
China Commercial Car Sales (unit, 30 Nov 23)	365,752	+1,055
US Unemployment Rate (% Nov 23)	3.7	-0.2
US Non-Farm Payroll (Nov 23)	199,000	+49,000
Japan Unemployment Rate (% Oct)	2.5	-0.1
Japan Manufacturing PMI (Dec)	47.7	-0.6
Japan Tankan Large Manufacturing (4Q 2023)	+12.0	+0.3
China Manufacturing PMI (Nov)	49.4	-0.1
China GDP 3Q 2023 (%)	4.9	-1.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	142.41	+0.26
EUR/USD	1.1014	+0.0119
GBP/USD	1.2701	+0.0020
USD/CHF	0.8556	-0.0149
AUD/USD	0.6799	+0.0100
USD/CNY	7.1358	+0.0143
USD/INR	83.15	+0.1487
USD/SGD	1.3238	-0.0089
USD/MYR	4.6285	-0.0413
USD/THB	34.61	-0.263
USD/IDR	15,484	-8.5
USD/VND	24,250	-17.5

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	33,169.05	+198.50
TOPIX Japan	2,336.43	+4.15
Dow Jones US	37,385.97	+80.81
S&P 500 US	4,754.63	+35.44
Nasdaq US	14,992.97	+179.05
CSI 300 China	3,337.23	-4.32
Shanghai China	2,914.78	-27.78
HSI Hong Kong	16,340.41	-451.78
STI Singapore	3,139.16	+22.65
KLCI Malaysia	1,454.38	-8.07
SET Thailand	1,402.17	+11.14
IDX Indonesia	7,237.52	+46.53
VSE Vietnam	1,103.06	+0.76

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Mar 24	33,060	+170
JPX TOPIX Mar 24	2,332.5	+4.5
JPX NK 400 Mar 24	21,120	+120
JPX TSE REIT Mar 24	1,762.5	-21.5
JPX NK 225 VI Jan 24	19.05	-0.45
JPX JGB 10 Year Mar 24	146.43	+0.83
JPX Gold 1 Kg Oct 24	9,378	+93
JPX Platinum Oct 24	4,370	+41
JPX Silver Oct 24	114.3	+3.8
JPX Palladium Oct 24	5,500	+800
JPX TSR20 Mar 24	211.0	+4.0
JPX Corn Nov 24	37,250	-130
JPX Dubai Crude May 24	68,470	+1,830

Source: JPX

Technical Analysis on the OSE May-2024 Contract:

In quiet trading, OSE's active May-2024 contract rose JPY 4.4, closing at 242.5. The continuing subdued week saw a decrease in volume by 1,615 lots and minimal change in open interest. Bargain hunting only led to buying interest due to low prices and oversold conditions after weeks of falling prices. Anticipated support levels are 238.0 and 232.0, while resistance levels are 246.0 and 250.0. The 14-day RSI rebounded to 50.8%. Prices are expected to remain within a tight trading range in the last week of the year.



Source: Bloomberg

Technical Analysis on the SGX SICOM Mar-2024 Contract:

SICOM's active Mar-2024 contract closed higher by 2.6 cents at 147.8 in subdued trading. Trading volume saw a significant decrease to 11,300 lots from the previous week. Open interest rose with fresh light buying, adding 635 lots. Prices are maintaining a range-bound movement towards year-end, with support levels at 141.0-142.0 and resistance levels at 149.0-150.0. Market sentiment remains steady, and prices are poised to test the upper range. The 14-day RSI currently stands at 55.3%. The SICOM market is closed on December 25 for the Christmas holiday.



Source: Bloomberg

Contact us

Kensuke Yazu

Derivatives Business Development
Osaka Exchange, Inc.

Tel: +81 (0) 50 3377 8645

Email: deri-w1@jpx.co.jp

Disclaimer

The copyrights for this document belong to Japan Exchange Group ("JPX"), and part or all of this document shall not be reproduced, republished, uploaded, linked, posted, transmitted, adapted, copied, translated, modified, edited, or otherwise displayed or distributed in any manner without JPX's prior consent.

This document is not an offer or solicitation to buy or sell, nor financial advice or recommendation for any investment product. This document is for the general circulation of the overview of JPX's futures markets only. It does not address any person's specific investment objectives, financial situation, or particular needs. Advice should be sought from a financial adviser regarding the suitability of any investment product before investing or adopting any investment strategies. Use of and/or reliance on this document is entirely at the reader's own risk. Investment products are subject to significant investment risks, including the possible loss of the principal amount invested. The past performance of investment products is not indicative of their future performance. The examples provided are for illustrative purposes only.

A designated person/company has compiled the information contained in this document from sources believed to be reliable. Still, no representation or warranty, express or implied, is made by JPX and the person/company as to its fairness, accuracy, completeness, or correctness. JPX shall not be responsible or liable, whether, under contract, tort including negligence or otherwise, for any loss or damage of any kind, whether direct, indirect, or consequential losses or other economic loss of any kind, including without limitation loss of profit, loss of reputation and loss of opportunity suffered or incurred by any person due to any omission, error, inaccuracy, incompleteness, or otherwise, any reliance on such information, or arising from and/or in connection with this document.