

# The Japan Rubber Futures Weekly Report:

## 25 Mar – 29 Mar 2024

Japan: Unemployment Rate higher 2.6% in Feb, Core Tokyo CPI 2.4% in Mar, Industrial Production -0.1% in Feb, Retail Sales 4.6% y/y in Feb

### Rubber Futures Report:

Global rubber futures closed the week mostly lower across major exchanges, except for OSE. Trading volume also fell sharply across all exchanges as profit-taking set in. OSE rubber closed up by 1.1%, while SHFE and INE closed down by 1.5% and 2.5%, respectively. SICOM rubber closed down by 1.3%. There was light, fresh buying interest on both the OSE and SICOM markets after prices experienced sharp declines from their recent highs. On SHFE and INE, long liquidation persisted, leading to a sharp decrease in open interest. In other rubber-related news, Malaysia's Rural and Development Ministry has allocated RM 57.15 million to boost the country's rubber production. Thailand's Sri Trang group has introduced "Traceable Natural Rubber" (GSP) as part of its sustainability efforts to comply with EUDR regulations. China's Doublestar Tire has announced the acquisition of a 45% stake in Korea's Kumho Tire as part of the company's restructuring. Japan's Bridgestone opened a Tizona logistic facility in Spain, which has a storage capacity for 800,000 tires with an investment of over EUR 40 million. In financial markets, Fed Chairman Powell stated that there is no rush to lower interest rates, emphasizing the need for more evidence that inflation is on track toward the 2% target. Masato Kanda, Japan's Vice Finance Minister for International Affairs, expressed concern about the depreciation of the JPY, describing it as speculative and indicating that the ministry would take all possible measures if necessary. Global stocks ended the week with mixed results in shortened trading days, while gold prices reached a new record high of USD 2,236 per ounce.

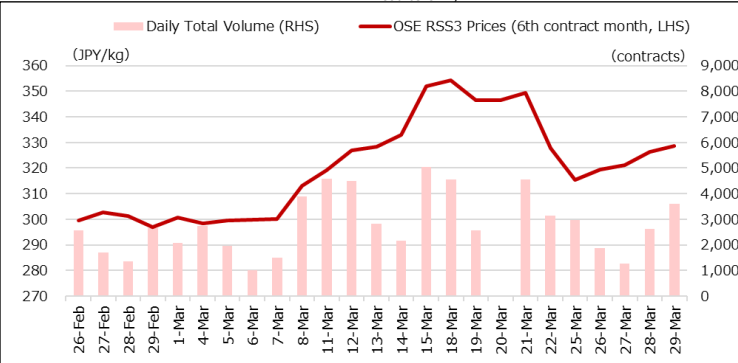
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX JRF	Last (THB)	Net
Apr 24	338.3	-1.2	SCR/RSS May 24	14,390	-300	Apr 24	166.0	Expired	July 24	333.7	-1.6
May 24	337.5	-3.3	SCR/RSS Sep 24	14,605	-225	May 24	162.7	-2.7	Aug 24	331.4	-0.5
Jun 24	333.7	-0.6	<b>Total Vol.</b>	<b>3,046,133</b>	<b>-1,920,838</b>	Jun 24	164.3	-2.1	<b>SHFE BR</b>	<b>Last (CNY)</b>	<b>Net</b>
Jul 24	328.8	-3.1	<b>Total OI</b>	<b>314,322</b>	<b>-8,339</b>	Jul 24	164.8	-2.1	Apr 24	13,240	-225
Aug 24	329.8	+2.0	INE TSR May 24	11,835	-305	Aug 24	165.2	-2.1	May 24	13,295	-240
Sep 24	328.6	+3.6	INE TSR Jun 24	11,950	-255	Sep 24	165.7	-2.3	Jun 24	13,305	-250
<b>Total Vol.</b>	<b>12,334</b>	<b>-2,476</b>	<b>Total Vol.</b>	<b>612,053</b>	<b>-440,653</b>	<b>Total Vol.</b>	<b>62,364</b>	<b>-82,345</b>	<b>Total Vol.</b>	<b>117,821</b>	<b>-324,187</b>
<b>Total OI</b>	<b>8,154</b>	<b>+76</b>	<b>Total OI</b>	<b>113,834</b>	<b>-5,798</b>	<b>Total OI</b>	<b>80,469</b>	<b>+2,057</b>	<b>Total OI</b>	<b>26,207</b>	<b>-4,942</b>

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MXX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 Mar)	8,753	+235
Shanghai SHFE Rubber Stocks (ton, 29 Mar)	216,941	-250
Shanghai INE Rubber Stocks (ton, 29 Mar)	130,436	+3,226
China Vehicle Total Sales (unit, 29 Feb 2024)	1,583,518	-855,826
China Passenger Car Sales (unit, 29 Feb 2024)	1,332,815	-782,620
China Commercial Car Sales (unit, 29 Feb 2024)	250,703	-73,206
US Unemployment Rate (% Feb 24)	3.9	+0.2
US Non-Farm Payroll (Feb 24)	275,000	+46,000
Japan Unemployment Rate (% Feb 24)	2.6	+0.2
Japan Manufacturing PMI (Feb)	47.2	-0.8
Japan Tankan Large Manufacturing (4Q 2023)	+12.0	+0.3
China Manufacturing PMI (Dec)	49.0	-0.4
China GDP 4Q 2023 (%)	5.2	+0.3

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	151.35	-0.06
EUR/USD	1.0790	-0.0018
GBP/USD	1.2623	+0.0022
USD/CHF	0.9014	+0.0039
AUD/USD	0.6521	+0.0006
USD/CNY	7.2224	-0.0068
USD/INR	83.405	-0.02
USD/SGD	1.3493	+0.0007
USD/MYR	4.725	-0.0115
USD/THB	36.348	-0.020
USD/IDR	15,856.5	+73.5
USD/VND	24,791	+21

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	40,369.44	-518.99
TOPIX Japan	2,768.62	-44.60
Dow Jones US	39,807.37	+331.47
S&P 500 US	5,254.35	+20.17
Nasdaq US	16,379.46	-49.36
CSI 300 China	3,537.48	-7.52
Shanghai China	3,041.17	-6.68
HSI Hong Kong	16,541.42	+41.95
STI Singapore	3,224.01	+6.04
KLCI Malaysia	1,536.07	-6.32
SET Thailand	1,377.94	-3.10
IDX Indonesia	7,288.81	-61.34
VSE Vietnam	1,284.09	+2.29

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 24	40,390	+220
JPX TOPIX Jun 24	2,770.0	-22.5
JPX NK 400 Jun 24	25,060	-190
JPX TSE REIT Jun 24	1,786.0	-19.0
JPX NK 225 VI April 24	19.70	-0.05
JPX JGB 10 Year Jun 24	145.67	+0.26
JPX Gold 1 Kg Feb 25	10,959	+367
JPX Platinum Feb 25	4,418	+42
JPX Silver Feb 25	123.5	+4.0
JPX Palladium Feb 25	4,800	-200
JPX TSR20 June 24	248.0	-4.0
JPX Corn Mar 25	40,310	+610
JPX Dubai Crude Aug 24	77,560	+1,390

Source: JPX

### Technical Analysis on the OSE Sept-2024 Contract:

OSE's new active Sep-2024 contract increased by JPY 3.6, closing at 328.6 in generally quiet trading. The prices remained mostly range-bound, with slightly lower trading volume compared to the previous week. Open interest saw a marginal increase, reflecting limited new trading interest. Prices are currently consolidating and are likely to remain within the range of 305-345 in the next couple of weeks. Anticipated support levels are at 315.0 and 302.0, while resistance levels are expected at 335.0 and 355.0. The 14-day RSI stands at 57.8%, indicating a moderate range after previously being in an extremely overbought position.



Source: Bloomberg

### Technical Analysis on the SGX SICOM July-2024 Contract:

SICOM's active July-2024 contract slightly shed 2.1 cents, reaching 164.8 in modestly quiet trading. Trading volume fell sharply following strong profit-taking under the overbought conditions over the past two weeks. Prices retreated into support territory, prompting fresh buying interest. Anticipated support levels are at 159.5 (50-day MA) and 155.0 (100-day MA), while resistance levels are at 168.0 and 170.0, where selling pressure may emerge. The 14-day RSI is at a neutral level of 50.1%, suggesting that prices could move in either direction, although the overall trend remains positive.



Source: Bloomberg

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