

# The Japan Rubber Futures Weekly Report:

## 29 April – 03 May 2024

Japan: Unemployment rate 2.6% in Mar, Industrial Production higher at 3.8% in Mar, Retail Sales lower at 1.2% y/y in Mar

### Rubber Futures Report:

Global rubber futures closed the week with a generally mixed performance amid quiet trading. Long holidays in Japan and China contributed to subdued trading across all major rubber markets. OSE rubber dropped 0.9% in light trading volume, primarily driven by some position squaring. SHFE and INE rubber increased by 0.5% and 1.7%, respectively, albeit with low trading volume, largely attributed to short covering and position adjustments. SICOM rubber gained 0.9% in very quiet trading, with some fresh buying observed. Rubber futures prices have reached levels prompting arbitrage buying and renewed consumer demand. In other related news, Germany's rubber association WDK stated that the rubber industry is showing signs of recovery in the second half of 2024, with some companies considering relocating abroad. Michelin Tire has decided to sell its tire plant in Russia to a local distributor, which will rebrand it as Davydovo Tire in the Orekhovo-Zuyevo district. In financial markets, the JPY against the USD touched its 34-year low of 160.04 before experiencing a significant rebound, driven by the MOF's intervention. The US Labor Department reported weaker job data, with the April Unemployment Rate rising by 0.1 percentage points to 3.9%, and Non-Farm Payrolls coming in lower than expected at 175,000 compared to the market consensus. The US treasury yield dropped to 4.509%, while US stocks rallied sharply. Crude oil prices also declined due to weaker demand, closing at USD 77.99, as OPEC+ is anticipated to maintain its current production level of 2.2 million barrels per day, with a possible extension until the year-end.

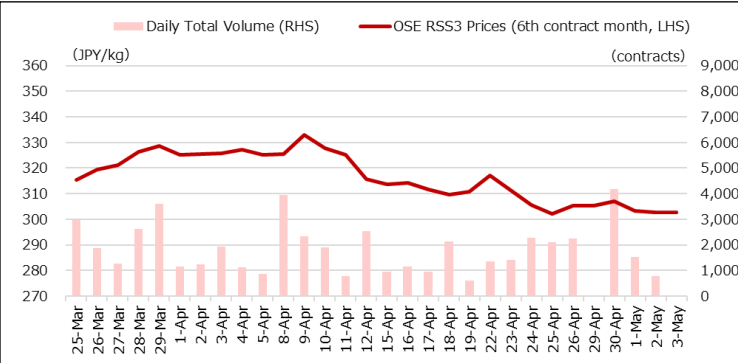
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX JRF	Last (THB)	Net
May 24	313.0	+3.5	SCR/RSS Sep 24	14,150	+75	May 24	164.7	Expired	Aug 24	303.7	-4.7
Jun 24	306.3	+0.3	SCR/RSS Jan 25	15,235	+70	Jun 24	161.6	+2.4	Sep 24	300.9	-6.5
Jul 24	305.0	-0.3	<b>Total Vol.</b>	<b>641,526</b>	<b>-1,856,997</b>	Jul 24	161.9	+2.0	<b>SHFE BR</b>	<b>Last (CNY)</b>	<b>Net</b>
Aug 24	305.7	-2.3	<b>Total OI</b>	<b>264,912</b>	<b>-22,030</b>	Aug 24	162.3	+1.5	May 24	13,190	+225
Sep 24	303.7	-3.3	INE TSR Jun 24	11,545	+190	Sep 24	162.9	+1.2	Jun 24	13,135	+220
Oct 24	302.7	-2.7	INE TSR July 24	11,630	+150	Oct 24	163.3	+1.1	Jul 24	13,280	+140
<b>Total Vol.</b>	<b>6,465</b>	<b>-2,909</b>	<b>Total Vol.</b>	<b>137,863</b>	<b>-314,155</b>	<b>Total Vol.</b>	<b>33,789</b>	<b>-47,148</b>	<b>Total Vol.</b>	<b>75,159</b>	<b>-75,452</b>
<b>Total OI</b>	<b>7,485</b>	<b>-371</b>	<b>Total OI</b>	<b>90,762</b>	<b>-8,694</b>	<b>Total OI</b>	<b>73,113</b>	<b>+849</b>	<b>Total OI</b>	<b>24,925</b>	<b>+26</b>

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 Apr)	9,416	+283
Shanghai SHFE Rubber Stocks (ton, 3 May)	217,101	+20
Shanghai INE Rubber Stocks (ton, 3 May)	143,639	+402
China Vehicle Total Sales (unit, 31 Mar 2024)	2,694,461	+1,110,943
China Passenger Car Sales (unit, 31 Mar 2024)	2,236,276	+903,461
China Commercial Car Sales (unit, 31 Mar 2024)	458,185	+207,482
US Unemployment Rate (% , April 24)	3.9	+0.1
US Non-Farm Payroll (April 24)	175,000	-140,000
Japan Unemployment Rate (% , Mar 24)	2.6	0
Japan Manufacturing PMI (April 24)	49.6	+1.4
Japan Tankan Large Manufacturing (1Q 2024)	+11.0	-0.1
China Manufacturing PMI (Mar 2024)	50.8	+1.7
China GDP 1Q 2024 (%)	5.3	+0.1

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	153.05	-5.28
EUR/USD	1.0761	+0.0068
GBP/USD	1.2547	+0.0054
USD/CHF	0.9054	-0.0088
AUD/USD	0.6610	+0.0077
USD/CNY	7.2410	-0.0055
USD/INR	83.43	+0.0456
USD/SGD	1.3496	-0.0132
USD/MYR	4.7385	-0.0295
USD/THB	36.72	-0.289
USD/IDR	16,083	-127
USD/VND	25,414	+75

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	38,236.07	+301.31
TOPIX Japan	2,728.53	+42.05
Dow Jones US	38,675.68	+436.02
S&P 500 US	5,127.79	+27.83
Nasdaq US	16,156.33	+228.43
CSI 300 China	3,604.39	+20.12
Shanghai China	3,104.82	+16.18
HSI Hong Kong	18,475.92	+1,860.77
STI Singapore	3,292.93	+12.83
KLCI Malaysia	1,589.59	+14.44
SET Thailand	1,369.92	+9.98
IDX Indonesia	7,134.72	+98.64
VSE Vietnam	1,221.03	+11.51

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 24	38,190	+290
JPX TOPIX Jun 24	2,722	+32.5
JPX NK 400 Jun 24	24,755	+380
JPX TSE REIT Jun 24	1,823.5	+24.5
JPX NK 225 VI May 24	20.70	-0.65
JPX JGB 10 Year Jun 24	144.29	+0.36
JPX Gold 1 Kg Apr 25	11,572	-163
JPX Platinum Apr 25	4,780	+139
JPX Silver Apr 25	134.0	-5.7
JPX Palladium Apr 25	4,800	-200
JPX TSR20 Aug 24	251.0	+2.5
JPX Corn May 25	41,250	+560
JPX Dubai Crude Sept 24	77,610	-3,850

Source: JPX

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

OSE's Oct-2024 contract fell JPY 2.7, closing at 302.7 in quiet trading during the Golden Week holidays in Japan. Trading volume decreased by 2,909 lots, while open interest slightly dropped by 371 lots. Notably, the Japanese yen against the USD weakened to a 34-year low of 160.04 before rebounding to a high of 154.47 on Wednesday, propelled by aggressive intervention from the MOF. Anticipated support levels are at 300.0 and 290.4 (100-day MA), while resistance levels are identified at 316.5 and 330.0. The 14-day RSI currently stands at 37.7%.



Source: Bloomberg

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

SICOM's active August-2024 contract closed 1.5 cents higher at 162.3 in quiet trading. Due to the absence of market holidays in Japan and China, trading volume sharply declined by 47,148 lots. Open interest increased by 889 lots, suggesting some renewed buying interest. Prices traded within the range of the 50-day and 100-day MAs, indicating a sustained uptrend, although the strength of the upward trend has weakened temporarily. Support levels remain at 159-160 and 157.3 (100-day MA), while resistance levels are at 164.8 and 169.0. The 14-day RSI is currently at 48.3%.



Source: Bloomberg

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