



The Japan Rubber Futures Weekly Report:

08-12 Jan 2024

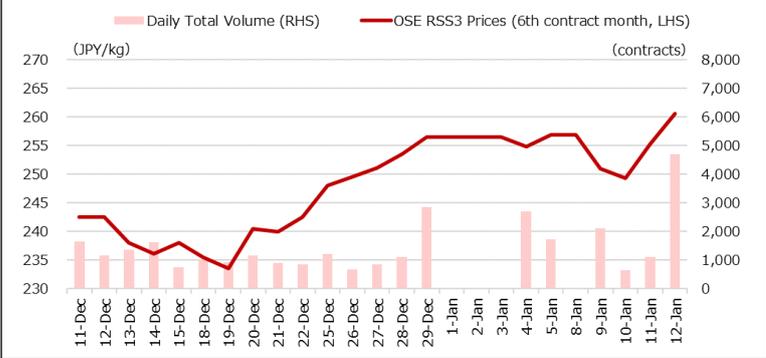
Japan: Household Spending -1% m/m -2.9% y/y in Nov, Tokyo CPI 2.4%, Core CPI 2.1% in Dec, FX Reserves USD 1.2946T in Dec

Rubber Futures Report:

Global rubber futures closed the week mixed across major rubber exchanges. OSE and SICOM prices closed firmer, driven by strong physical buying, while SHFE and INE prices closed lower. The market tone remained strong as reports surfaced consumers paid 10-12 cents/kg above SICOM TSR20 in the front month before the Chinese New Year holidays. SHFE and INE prices decreased due to weaker economic data and declining equity markets. China grapples with deflationary concerns, with CPI reporting -0.3% y/y and PPI at -2.7% in December. China's equity market hit a yearly low, with the CSI 300 Index falling 45 from the previous week to 3,284.17. In additional industry news, Malaysia's rubber production fell 6.9% in November to 30,669 tonnes. China experienced an uptick in vehicle sales, recording a 12% increase in 2023 to 30.1 million units. The surge in sales is attributed to a notable increase in EV exports. The OECD has urged the BoJ to consider a gradual increase in short-term rates and enhance the flexibility of its bond yield policy. Japan's equity markets experienced a notable surge, reaching a 34-year high, driven by robust flows from both foreign and domestic players. The Nikkei 225 index closed 2,200 higher than the previous week, concluding at 35,577.11. In December, U.S. inflation data presented a mixed picture, with the CPI rising to +3.4%, while the PPI recorded a lower figure at +1.0%. Concurrently, WTI crude oil prices experienced a surge, reaching USD 75.25 per barrel following reports of a joint U.S. and U.K. military action against Houthis in Yemen, closing at USD 72.76. The USD/JPY closed slightly higher at 144.88, driven by carry-trade buying interest.

OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX JRF	Last (THB)	Net
Jan 24	252.9	+11.0	SCR/RSS May 24	13,740	-135	Feb 24	153.0	+0.2	May 24	260.5	+6.1
Feb 24	254.1	+9.9	SCR/RSS Sep 24	13,870	-105	Mar 24	153.2	+0.3	Jun 24	261.5	+5.1
Mar 24	254.1	+6.4	Total Vol.	1,085,959	+144,931	Apr 24	153.3	+0.6	SHFE BR	Last (CNY)	Net
Apr 24	257.2	+5.7	Total OI	212,637	-14,391	May 24	153.7	+0.4	Feb 24	12,290	-140
May 24	259.2	+4.5	INE TSR Mar 24	11,070	-60	Jun 24	153.8	+0.4	Mar 24	12,320	-150
Jun 24	260.6	+3.7	INE TSR Apr 24	11,145	-40	July 24	154.4	+0.5	Apr 24	12,350	-145
Total Vol.	8,573	+4,140	Total Vol.	298,961	-51	Total Vol.	47,166	-7,509	Total Vol.	140,679	-34,197
Total OI	5,390	-34	Total OI	91,944	-1,423	Total OI	79,977	+4	Total OI	29,426	-8,094

Source: JPX | Source: SHFE, INE | Source: SGX | Source: TFEX, ICEX, MXX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 Dec)	5,916	+717
Shanghai SHFE Rubber Stocks (ton, 05 Jan)	194,377	+3,363
Shanghai INE Rubber Stocks (ton, 05 Jan)	113,199	-3,024
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 (% Dec 23)	3.7	+0.0
US Non-Farm Payroll (Dec 23)	216,000	+43,000
Japan Unemployment Rate (% Nov)	2.5	+0.0
Japan Manufacturing PMI (Dec)	47.9	+0.2
Japan Tankan Large Manufacturing (4Q 2023)	+12.0	+0.3
China Manufacturing PMI (Dec)	49.0	-0.4
China GDP 3Q 2023 (%)	4.9	-1.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	144.88	+0.25
EUR/USD	1.0951	+0.0008
GBP/USD	1.2753	+0.0033
USD/CHF	0.8523	+0.0023
AUD/USD	0.6686	-0.0027
USD/CNY	7.1675	+0.0204
USD/INR	82.9225	-0.24
USD/SGD	1.3314	+0.0018
USD/MYR	4.6477	-0.0076
USD/THB	34.923	+0.232
USD/IDR	15,550	+34
USD/VND	24,505	+122.5

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	33,577.11	+2,199.69
TOPIX Japan	2,494.23	+100.69
Dow Jones US	37,592.98	+126.87
S&P 500 US	4,783.83	-13.41
Nasdaq US	14,972.76	+448.69
CSI 300 China	3,284.17	-44.94
Shanghai China	2,881.98	-47.20
HSI Hong Kong	16,244.58	-290.75
STI Singapore	3,191.72	+7.42
KLCI Malaysia	1,487.34	-0.27
SET Thailand	1,413.53	-14.43
IDX Indonesia	7,241.14	-109.48
VSE Vietnam	1,154.70	+0.02

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Mar 24	35,610	+2,290
JPX TOPIX Mar 24	2,496.5	+105.0
JPX NK 400 Mar 24	22,610	+1,030
JPX TSE REIT Mar 24	1,811.0	+7.0
JPX NK 225 VI Feb 24	20.15	+0.45
JPX JGB 10 Year Mar 24	147.39	+0.45
JPX Gold 1 Kg Dec 24	9,502	-20
JPX Platinum Dec 24	4,275	-95
JPX Silver Dec 24	107.6	-0.9
JPX Palladium Dec 24	4,700	-300
JPX TSR20 Apr 24	223.0	+1.0
JPX Corn Jan 25	36,960	-150
JPX Dubai Crude May 24	69,280	+790

Source: JPX

Technical Analysis on the OSE June-2024 Contract:

June-2024 contract closed JPY 3.7 higher at 260.6, driven by light speculative buying. Prices broke short-term resistance at 260.0 and closed above, signaling potential gains. Despite a holiday on Monday, trading volume increased, while open interest experienced a marginal decline of 34 lots from the previous week. Support levels are anticipated at 254.0 and 250.0, while resistance is expected at 266.0 and 272.0. The 14-day RSI stands at 62.2%, indicating the potential for either side's movement amidst stable or more positive overall market sentiment. The weakened USD/JPY additionally provided support to prices.



Source: Bloomberg

Technical Analysis on the SGX SICOM April-2024 Contract:

SICOM's active April-2024 contract marginally gained 0.6 cents, closing at 153.3 in relatively quiet trading. Prices maintained a tight trading range throughout the week, with steady market sentiment. Ongoing physical buying is providing support and is anticipated to sustain firmness in prices in the near term. Anticipated support levels are 149.5 and 146.5, and resistance levels are 156.5 and 159.5. The 14-day RSI stands at 60.5%, indicating no clear price direction. Trading for the April 2024 contract is expected to move within the range of 150 to 159 next week.



Source: Bloomberg

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