

The Japan Rubber Futures Weekly Report:

08 April – 12 April 2024

Japan: Current Account lower JPY 2.644T in Feb, PPI +0.2% m/m, +0.8% y/y in Mar, Industrial Production lower -0.6% m/m in Feb

Rubber Futures Report:

Global rubber futures closed the week with mixed results in active trading. OSE rubber futures closed 2.9% lower, contrasting with SHFE prices, which rose by nearly 1%. INE and SICOM TSR20 rubber experienced marginal changes. The recent rally in commodity prices, including crude oil, gold, and cocoa, prompted some funds to take long positions in rubber futures as well. While it seems they are still holding onto these positions, some have closed their positions to realize profits. The rubber market sentiment remains uncertain and mixed, influenced by warm weather attributed to El Niño and supply concerns, which are supporting prices. Demand from major consumers in China remains uncertain and weak, adding to the market's uncertainty. China vehicle sales at the end of March saw a significant recovery, adding 1,110,943 units following a sharp decline in February due to the Lunar New Year holiday. However, Chinese stock markets continue to exhibit weakness, and the overall economic recovery remains fragile. In the financial news, the US March CPI recorded at 3.5% y/y, leading analysts to expect that the Fed may delay further interest rate cuts. This caused the US 10-year treasury yield to surge to 4.593%, accompanied by a strengthened USD against major currencies. Geopolitical tensions in the Middle East escalated, driving WTI crude oil to touch a peak of USD 87.67, while spot gold surged to a new all-time high of USD 2,431 per oz. Iran seized an Israeli-linked container ship near the Hormuz Straits and is planning retaliatory actions against Israel following an Israeli attack on its embassy in Syria.

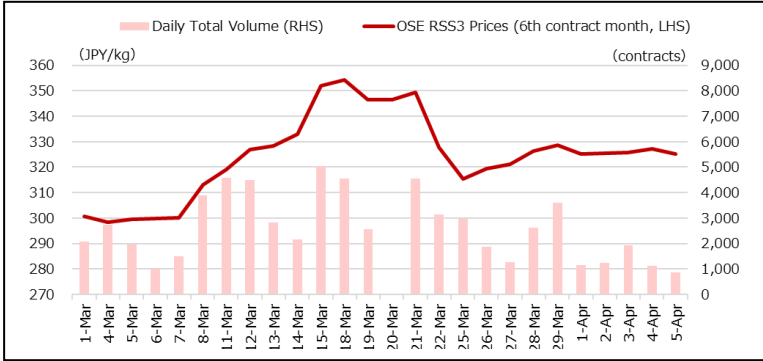
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	ICOM TSR20	Last (USc)	Net	TFEX JRF	Last (THB)	Net
Apr 24	337.0	-0.3	SCR/RSS May 24	14,450	+95	May 24	162.6	+0.0	Aug 24	328.7	+0.7
May 24	328.6	-8.4	SCR/RSS Sep 24	14,705	+115	Jun 24	163.6	-0.4	Sep 24	325.0	-0.3
Jun 24	324.4	-9.6	Total Vol.	2,583,951	+1,263,885	July 24	164.6	-0.5	SHFE BR	Last (CNY)	Net
Jul 24	321.1	-9.7	Total OI	294,074	+2,965	Aug 24	165.4	-0.5	May 24	13,260	-170
Aug 24	318.0	-9.5	INE TSR May 24	11,845	-5	Sep 24	166.3	-0.4	Jun 24	13,265	-140
Sep 24	315.7	-9.5	INE TSR Jun 24	11,995	+10	Oct 24	167.0	-0.3	Jul 24	13,440	-115
Total Vol.	11,480	+5,174	Total Vol.	524,124	+259,134	Total Vol.	70,624	+21,767	Total Vol.	113,389	+42,900
Total OI	8,509	-22	Total OI	113,690	+3,926	Total OI	79,738	-1,043	Total OI	25,641	+1,106

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MGC



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 Mar)	9,395	+642
Shanghai SHFE Rubber Stocks (ton, 12 April)	217,721	-360
Shanghai INE Rubber Stocks (ton, 12 April)	140,737	+10,684
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 (% , Mar 24)	3.8	-0.1
US Non-Farm Payroll (Mar 24)	303,000	+33,000
Japan Unemployment Rate (% , Feb 24)	2.6	+0.2
Japan Manufacturing PMI (Feb)	47.2	-0.8
Japan Tankan Large Manufacturing (1Q 2024)	+11.0	-0.1
China Manufacturing PMI (Mar 2024)	50.8	+1.7
China GDP 4Q 2023 (%)	5.2	+0.3

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	153.23	+1.61
EUR/USD	1.0643	-0.0194
GBP/USD	1.2452	-0.0186
USD/CHF	0.9137	+0.0119
AUD/USD	0.6467	-0.0112
USD/CNY	7.2374	+0.0042
USD/INR	83.415	+0.1213
USD/SGD	1.3614	+0.0127
USD/MYR	4.7705	+0.0230
USD/THB	36.618	+0.016
USD/IDR	15,848	+0
USD/VND	25,031	+69

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	39,523.55	+531.47
TOPIX Japan	2,759.64	+57.02
Dow Jones US	37,983.24	-920.80
S&P 500 US	5,123.41	-80.93
Nasdaq US	16,175.09	-73.43
CSI 300 China	3,475.84	-91.96
Shanghai China	3,019.47	-49.83
HSI Hong Kong	16,721.69	-2.23
STI Singapore	3,216.91	-1.35
KLCI Malaysia	1,551.04	-4.21
SET Thailand	1,396.38	+20.80
IDX Indonesia	7,286.88	+0.00
VSE Vietnam	1,276.60	-44.83

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 24	39,550	+570
JPX TOPIX Jun 24	2,758.0	+52.0
JPX NK 400 Jun 24	24,970	+475
JPX TSE REIT Jun 24	1,766.5	+22.0
JPX NK 225 VI May 24	21.40	-0.50
JPX JGB 10 Year Jun 24	144.35	-1.03
JPX Gold 1 Kg Feb 25	11,762	+683
JPX Platinum Feb 25	4,912	+428
JPX Silver Feb 25	141.5	+11.5
JPX Palladium Feb 25	5,200	+210
JPX TSR20 July 24	254.0	+6.0
JPX Corn Mar 25	40,120	+50
JPX Dubai Crude Sept 24	80,960	+840

Source: JPX

Technical Analysis on the OSE Sept-2024 Contract:

OSE's active September-2024 contract dropped JPY 9.5 or 2.9% in active trading. Trading volume increased by 5,315 lots, although there was little change in open interest. Trading remains confined within a range of 300.0-350.0 in the near term until a breakout is observed. The 14-day RSI stands at 44.2%. Anticipated support levels include 314.5 (50-day MA), 300.0, and 284.5 (100-day MA), while resistance levels are set at 335.0 and 350.0. Following the recent rally, prices are expected to trade sideways until a clearer trend emerges.



Source: Bloomberg

Technical Analysis on the SGX SICOM July-2024 Contract:

SICOM's active July-2024 contracts closed slightly lower in active trading. Despite a mid-week holiday, trading volume increased by 21,767 lots compared to the previous week. Open interest fell by 1,043 lots, driven by some position-closing activities. Prices are likely to remain steady, with range trading between 162.0 and 169.0 expected to persist for another couple of weeks. The 14-day RSI is now at 48.7%. Anticipated support levels are at 162.5 and 161.0, while resistance levels are at 166.5 and 169.0.



Source: Bloomberg

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