

The Japan Rubber Futures Weekly Report:

22 Jan - 26 Jan 2024

Japan: Tokyo Core CPI in Jan lower at 1.6%, BOJ kept key rate unchanged at -0.1%, Trade Balance USD 62.1B in Dec, Leading Index -1.3%

Rubber Futures Report:

Global rubber futures closed the week with mixed results across major rubber exchanges. OSE rubber futures rallied 5.8%, driven by fresh speculative buying amid a weaker JPY against the USD. Conversely, SHFE and INE futures fell 0.7% and 0.6%, respectively, influenced by long liquidation and speculative selling. SICOM futures dropped marginally in quiet trading amid profit-taking. Traders adjusted their positions ahead of the CNY holidays, contributing to potential reductions in trading volume in the upcoming weeks. ANRPC has reported that Cote d'Ivoire has overtaken Vietnam as the 3rd largest world producer of natural rubber in 2023 with under 1.5m tons while Vietnam produced 1.39m tons. The top 2 producers remained unchanged, with Thailand at 4.87m tons and Indonesia at 3.2m tons. In other rubber-related news, China's Wanli Tyre will construct a new rubber factory in Cambodia, while Japan's Bridgestone Tyre will upgrade its tire factory in Wuxi in Jiangsu province. Yokohama Rubber also spent USD 62.5 million to upgrade its 26-year-old factory plant in the Philippines. In global news, China's central bank, PBOC, unexpectedly reduced its banks' reserve requirement ratio (RRR) by 50 basis points to 10%, surprising the market and triggering a rally in its stock markets. The Bank of Japan maintained its key interest rate unchanged at -0.1%, adhering to its ultra-loose monetary policy. The U.S. reported a more robust than expected 4Q GDP at 3.3%. Crude oil WTI settled higher at USD 78.23 per barrel, buoyed by stronger economic data, tension in the Red Sea, and optimism regarding China's economic recovery.

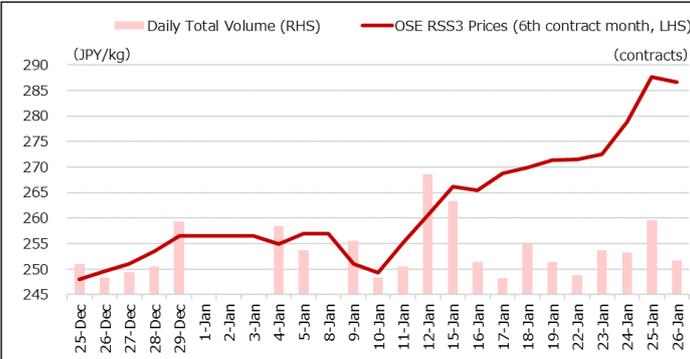
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX JRF	Last (THB)	Net
Feb 24	284.0	+15.1	SCR/RSS May 24	13,700	-95	Feb 24	153.0	-1.3	May 24	280.7	+10.2
Mar 24	281.2	+19.6	SCR/RSS Sep 24	13,820	-90	Mar 24	154.3	-0.2	Jun 24	280.6	+8.9
Apr 24	284.3	+15.2	Total Vol.	1,158,090	+13,502	Apr 24	154.6	-0.6	SHFE BR	Last (CNY)	Net
May 24	285.8	+16.3	Total OI	216,632	+4,892	May 24	154.9	-0.6	Feb 24	12,145	+25
Jun 24	286.5	+15.7	INE TSR Mar 24	11,225	-70	Jun 24	155.4	-0.6	Mar 24	12,195	+70
Jul 24	286.7	+15.2	INE TSR Apr 24	11,295	-50	July 24	155.9	-0.5	Apr 24	12,225	+75
Total Vol.	8,444	-382	Total Vol.	310,173	-81,330	Total Vol.	55,614	-12,603	Total Vol.	105,469	+4,646
Total OI	7,238	+727	Total OI	103,449	-865	Total OI	76,748	-3,742	Total OI	24,602	-1,393

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCB



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 10 Jan)	5,799	-117
Shanghai SHFE Rubber Stocks (ton, 26 Jan)	207,851	+3,827
Shanghai INE Rubber Stocks (ton, 26 Jan)	111,686	+8,668
China Vehicle Total Sales (unit, 31 Dec 23)	3,156,367	+186,245
China Passenger Car Sales (unit, 31 Dec 23)	2,792,005	+187,635
China Commercial Car Sales (unit, 31 Dec 23)	364,362	-1,390
US Unemployment Rate (% Dec 23)	3.7	+0.0
US Non-Farm Payroll (Dec 23)	216,000	+43,000
Japan Unemployment Rate (% Nov 23)	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 4Q 2023 (%)	5.2	+0.3

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	148.15	+0.03
EUR/USD	1.0853	-0.0045
GBP/USD	1.2703	0
USD/CHF	0.8642	-0.0042
AUD/USD	0.6575	-0.0022
USD/CNY	7.1774	-0.016
USD/INR	83.1175	+0.0525
USD/SGD	1.3411	+0.0003
USD/MYR	4.7300	+0.0115
USD/THB	35.658	+0.0099
USD/IDR	15,825	+210
USD/VND	24,605	+55

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	35,751.07	-212.20
TOPIX Japan	2,497.65	-12.38
Dow Jones US	38,109.43	+245.63
S&P 500 US	4,890.97	+51.16
Nasdaq US	15,455.36	+144.39
CSI 300 China	3,333.82	+64.04
Shanghai China	2,910.22	+77.94
HSI Hong Kong	15,952.23	+643.54
STI Singapore	3,159.53	+7.24
KLCI Malaysia	1,506.28	+19.91
SET Thailand	1,368.15	-14.36
IDX Indonesia	7,137.09	-90.31
VSE Vietnam	1,175.67	-5.83

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Mar 24	35,680	-320
JPX TOPIX Mar 24	2,494.5	-15.5
JPX NK 400 Mar 24	22,500	-250
JPX TSE REIT Mar 24	1,790.5	-5.0
JPX NK 225 VI Feb 24	20.15	-0.35
JPX JGB 10 Year Mar 24	146.34	-0.34
JPX Gold 1 Kg Dec 24	9,611	-55
JPX Platinum Dec 24	4,282	-64
JPX Silver Dec 24	106.5	-3.3
JPX Palladium Dec 24	4,500	+0
JPX TSR20 Apr 24	230.1	+0.1
JPX Corn Jan 25	37,400	+350
JPX Dubai Crude June 24	72,250	+2,200

Source: JPX

Technical Analysis on the OSE June-2024 Contract:

In active trading, OSE's June-2024 contract closed higher, surging by JPY 15.2 to 286.5 from the previous week. The market observed fresh speculative buying and rollover from the June to July contract. Thursday saw higher trading activity with 2,934 lots, and open interest increased by 727 lots, indicating renewed speculative interest. Prices breached the short-term resistance at 278-280 levels, and the overall outlook remains bullish. The weaker JPY has contributed to price support, with USD/JPY closing at 148.15. The 14-day RSI hovers near the overbought territory at 69.75%.



Source: Bloomberg

Technical Analysis on the SGX SICOM April-2024 Contract:

SICOM's April futures closed marginally lower at -0.6 cents, settling at 154.6 in relatively quiet trading. The market showed a range-bound pattern between 153.0 and 155.5, with a volume decrease by 12,603 lots. Open interest also saw a decline of 3,742 lots, indicating profit-taking on long positions. Overall market sentiment remains stable. The 14-day RSI is 58.3%, and a close above 156.0 could signal higher prices. Anticipated support levels are 150.5-151.0, while resistance levels are 156.0 and 159.0-160.0. Trading volume is likely to wind down as the market approaches the upcoming Chinese New Year holidays.



Source: Bloomberg

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