

The Japan Rubber Futures Weekly Report:

26 June 2023 – 30 June 2023

Japan Unemployment Rate 2.6% in May, Industrial Production -1.6% in May, CPI 2.3% m/m, Tokyo Core CPI 3.2% y/y in June

Rubber Futures Report:

World rubber futures closed the week lower across all exchanges, trading within a narrow range. The prices experienced a decline in a generally subdued market sentiment, lacking fresh news catalysts. OSE rubber futures dropped 1%, accompanied by a notable increase in open interest, reaching a new high at 17,846 contracts. SHFE and INE futures shed 0.5% and 1.1%, respectively, while SICOM futures slipped by 0.5% in shortened trading days. The prevailing downtrend in rubber prices can be attributed to concerns over China's slowing economy, global recession risks, and a robust USD driven by expectations of further interest rate hikes to curve inflation. China continues to face economic challenges, as reflected by the contraction in the official manufacturing PMI to 49.0 in June and the consecutive decline in housing prices over the past two months. Meanwhile, Japan's Finance Minister commented on the ongoing depreciation of the JPY, as USD/JPY closed at 144.31. In the US, the GDP for the first quarter was revised upward to 2.0% from the previous estimate of 1.3%, while jobless claims came in lower than expected at 239,000 from the projected 265,000. These data have indicated the robustness of the US economy, leading to a rally in the stock market and a possible further interest rate hike by the Fed. The next FOMC meeting is scheduled for July 25-26, 2023.

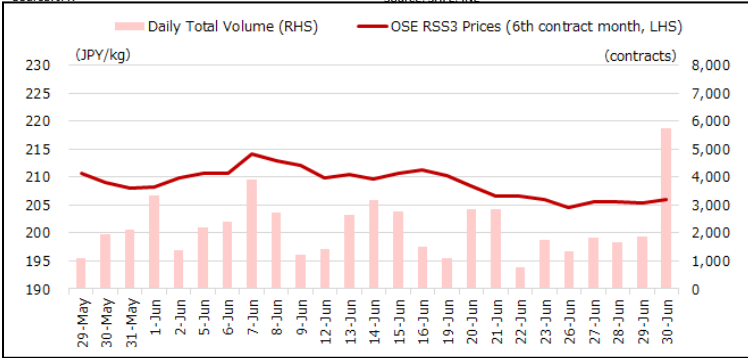
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Jul 23	201.5	-0.9	SCR/RSS Sep 23	12,025	-55	Jul 23	133.0	+0.6	RSS3 Nov 23	53.05	-0.45
Aug 23	202.6	-1.1	SCR/RSS Jan 24	13,145	-150	Aug 23	130.8	-0.7	RSS3 Dec 23	53.20	-0.40
Sep 23	200.2	-2.3	Total Vol.	1,215,410	+325,455	Sep 23	130.2	-0.7	JRF Nov 23	204.3	-1.7
Oct 23	202.6	-1.9	Total OI	300,496	-7,659	Oct 23	129.8	-0.7	JRF Dec 23	205.8	New
Nov 23	204.0	-2.0	INE TSR Sep 23	9,590	-110	Nov 23	129.8	-0.8	ICEX	Last (INR)	Net
Dec 23	206.0	-0.8	INE TSR Oct 23	9,615	-75	Dec 23	130.1	-0.7	RSS4 Aug 23	Untraded	0
Total Vol.	12,484	+3,155	Total Vol.	323,537	+137,736	Total Vol.	44,387	+13,338	MCX	Last (INR)	Net
Total OI	17,846	+1,556	Total OI	94,984	-7	Total OI	61,391	+2,223	RSS4 Aug 23	Untraded	0

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 Jun)	12,549	+206
Shanghai SHFE Rubber Stocks (ton, 30 Jun)	178,847	-2,828
Shanghai INE Rubber Stocks (ton, 30 Jun)	69,955	-1,310
China Vehicle Total Sales (unit, 31 May 23)	2,381,614	+222,910
China Passenger Car Sales (unit, 31 May 23)	2,051,123	+240,044
China Commercial Car Sales (unit, 31 May 23)	330,491	-17,134
US Unemployment Rate (% , May 23)	3.7	+0.3
US Non-Farm Payroll (May 23)	339,000	+45,000
Japan Unemployment Rate (% , May)	2.6	0
Japan Manufacturing PMI (June)	50.8	+1.3
Japan Tankan Large Manufacturing (1Q 23)	1	-6
China Manufacturing PMI (May)	49.8	-1.0
China GDP 4Q (%)	+2.9	-1.0

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	144.31	+0.61
EUR/USD	1.0909	+0.0015
GBP/USD	1.2703	-0.0011
USD/CHF	0.8956	-0.0014
AUD/USD	0.6664	-0.0016
USD/CNY	7.2537	+0.0742
USD/INR	82.040	+0.005
USD/SGD	1.3524	+0.0005
USD/MYR	4.6665	-0.0118
USD/THB	35.282	+0.048
USD/IDR	15,066	+67
USD/VND	23,583	+58

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	33,189.04	+407.50
TOPIX Japan	2,288.60	+23.87
Dow Jones US	34,407.60	+680.17
S&P 500 US	4,450.38	+102.05
Nasdaq US	13,787.92	+295.40
CSI 300 China	3,842.45	-21.58
Shanghai China	3,202.06	+4.16
HSI Hong Kong	18,916.43	+26.46
STI Singapore	3,205.91	+14.31
KLCI Malaysia	1,376.68	-14.21
SET Thailand	1,503.23	-3.39
IDX Indonesia	6,661.88	+22.15
VSE Vietnam	1,120.18	-9.20

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 23	33,170	+500
JPX TOPIX Sep 23	2,288.0	+29.0
JPX NK 400 Sep 23	20,760	+210
JPX TSE REIT Sep 23	1,843.0	+25.0
JPX NK 225 V1 July 23	19.10	-0.35
JPX JGB 10 Year Sep 23	148.55	-0.23
JPX Gold 1 Kg Apr 24	8,851	+37
JPX Platinum Apr 24	4,152	-20
JPX Silver Apr 24	103.1	+0.8
JPX Palladium Apr 24	6,100	-300
JPX TSR20 Sep 23	189.0	+2.0
JPX Corn July 24	43,420	-1,670
JPX Dubai Crude Nov 23	64,980	+2,080

Source: JPX

Technical Analysis on the OSE Dec-2023 Contracts:

The active Dec-2023 contract on OSE dropped JPY0.8 to 206.0. The OI reached a new high of 17,846 contracts, driven by an influx of fresh trading flows. The trading volume increased by 3,155 contracts from the previous week. The forward curve remained flattened as the sticky bearish market sentiment continued. The support level is anticipated to be around 201-200, while the resistance level is expected at 210.0 and 219.0. The 14-day RSI stands at 41.2%, suggesting that the market could move in either direction without evident strong bias. The ongoing weakness of the JPY could support JPY-denominated OSE prices.



Source: Bloomberg

Technical Analysis on the SGX SICOM Sep-2023 Contracts:

Sep-2023 contracts slipped 0.7 cents at 130.2 amidst relatively active trading. Despite the shortened trading days, the market witnessed new trading flows that led to a notable increase of 2,223 contracts in OI. The price approached a key support level at 129.5 but managed to close above 130.0. This suggests the presence of buying flows below the 130.0 level. The 14-day RSI at 42.4% showed a neutral market condition. The support level will be 129.0 and 129.5, while the resistance level will be 134.5 and 135.0. The market sentiment remains bearish, and a potential price fall may occur if the contract close below the 129.0 level.



Source: Bloomberg

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