

The Japan Rubber Futures Weekly Report:

10 July 2023 – 14 July 2023

Japan Machinery Orders lower at -8.7% y/y in May, PPI +4.1% y/y in June, Industrial Production lower at -2.2% m/m in May

Rubber Futures Report:

World rubber futures closed the week mostly lower across major rubber exchanges, including OSE and Chinese rubber futures, while SICOM futures slightly increased. The market experienced limited trading activity, and prices remained within a narrow range. The prevailing sentiment was influenced by growing concerns about China's economy following the release of weaker CPI and PPI figures in June. Additionally, China's trade balance for June fell below market expectations, indicating potential impacts on rubber demand. These factors contributed to the overall bearish sentiment in the rubber futures market. Weekly rubber stocks on SHFE and INE recorded increases of 4,008 tonnes and 1,815 tonnes, respectively. On a positive note, China's total vehicle sales in June added 240,778 units. Chinese regulator CSRC has approved the launch of Synthetic (Butadiene) Rubber futures and options on SHFE, introducing new trading opportunities in the rubber market. In global news, the US released inflation data with the CPI (+0.2%) and PPI (+0.1%) figures recorded below market expectations. The release of lower inflation numbers prompted traders to take profit, leading to a decline in the USD and a rally in global equities. This was accompanied by speculation regarding the possibility of interest rate peaks and the Fed's rate hike projections, including the upcoming FOMC meeting on July 26th.

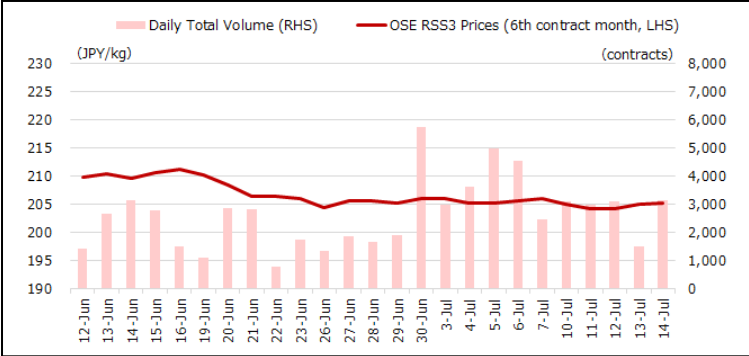
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Jul 23	200.3	+0.2	SCR/RSS Sep 23	12,420	-65	Aug 23	131.6	+0.2	RSS3 Nov 23	51.95	-1.65
Aug 23	201.2	-1.5	SCR/RSS Jan 24	13,290	-75	Sep 23	130.9	+0.1	RSS3 Dec 23	51.95	-1.65
Sep 23	198.3	-1.2	Total Vol.	1,669,418	+49,043	Oct 23	130.6	+0.1	JRF Nov 23	204.5	+0.1
Oct 23	201.8	-2.4	Total OI	334,953	+4,033	Nov 23	130.7	+0.1	JRF Dec 23	205.2	-0.2
Nov 23	204.6	-0.9	INE TSR Sep 23	9,535	-160	Dec 23	131.2	+0.3	ICEX Last (INR)	Net	
Dec 23	205.2	-0.8	INE TSR Oct 23	9,545	-160	Jan 24	131.8	+0.2	RSS4 Aug 23	Untraded	0
Total Vol.	13,773	-4,780	Total Vol.	377,501	+47,799	Total Vol.	59,167	+10,418	MCX Last (INR)	Net	
Total OI	15,883	-1,222	Total OI	100,055	+4,913	Total OI	64,201	+1,940	RSS4 Aug 23	Untraded	0

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFE, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 30 June)	12,252	-297
Shanghai SHFE Rubber Stocks (ton, 14 July)	185,399	+4,008
Shanghai INE Rubber Stocks (ton, 14 July)	73,383	+1,815
China Vehicle Total Sales (unit, 30 June 23)	2,622,392	+240,778
China Passenger Car Sales (unit, 30 June 23)	2,267,821	+216,698
China Commercial Car Sales (unit, 30 June 23)	354,571	+24,080
US Unemployment Rate (% June 23)	3.6	-0.1
US Non-Farm Payroll (June 23)	209,000	-16,000
Japan Unemployment Rate (% June)	2.6	+0.0
Japan Manufacturing PMI (June)	50.8	+1.3
Japan Tankan Large Manufacturing (2Q 23)	+5.0	+0.4
China Manufacturing PMI (May)	49.8	-1.0
China GDP 4Q (%)	+2.9	-1.0

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	138.80	-3.41
EUR/USD	1.1228	+0.0261
GBP/USD	1.3093	+0.0254
USD/CHF	0.8620	-0.0267
AUD/USD	0.6838	+0.0148
USD/CNY	7.1420	-0.0834
USD/INR	82.1663	-0.5762
USD/SGD	1.3215	-0.0253
USD/MYR	4.5267	-0.1398
USD/THB	34.649	-0.481
USD/IDR	14,959	-184
USD/VND	23,646	-7

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	32,391.26	+2.84
TOPIX Japan	2,239.10	-15.80
Dow Jones US	34,509.03	+774.15
S&P 500 US	4,505.42	+106.47
Nasdaq US	14,113.70	+452.99
CSI 300 China	3,899.10	+73.40
Shanghai China	3,237.70	+41.09
HSI Hong Kong	19,413.78	+1,048.08
STI Singapore	3,248.63	+52.02
KLCI Malaysia	1,412.09	+34.42
SET Thailand	1,517.92	+27.41
IDX Indonesia	6,869.57	+153.11
VSE Vietnam	1,168.40	+30.33

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 23	32,340	-90
JPX TOPIX Sep 23	2,235.5	-18.5
JPX NK 400 Sep 23	20,260	-170
JPX TSE REIT Sep 23	1,852.5	+19.0
JPX NK 225 VI Aug 23	19.00	-0.60
JPX JGB 10 Year Sep 23	147.33	-0.79
JPX Gold 1 Kg June 24	8,682	-147
JPX Platinum June 24	4,266	+119
JPX Silver June 24	109.4	+3.4
JPX Palladium June 24	5,800	-100
JPX TSR20 Oct 23	180.0	-9.0
JPX Corn July 24	39,010	-2,270
JPX Dubai Crude Dec 23	66,320	+900

Source: JPX

Technical Analysis on the OSE Dec-2023 Contract:

OSE's newly active Dec-2023 contract closed slightly lower in subdued trading. The weekly trading volume experienced a decline of 4,780 contracts, while the open interest fell by 1,222 contracts from its recent peak, indicating some liquidation transactions. The price remained within a tight trading range, with limited trading interest observed. The price will likely move sideways, with the support level projected at 202.0 and 200.0, and the resistance level identified at 208.4 (50 MA) and 211.0. The 14-day RSI stands at 42.6%, reflecting a neutral level of price movement. Japanese markets will be closed on Monday, July 17th.



Source: Bloomberg

Technical Analysis on the SGX SICOM Oct-2023 Contract:

SICOM's Oct-2023 contracts rose by 0.1 cents to 130.6 in active trading. The trading volume surged by 10,418 contracts compared to the previous week, indicating the initiation of new trading positions. The open interest increased by 1,940 contracts, reaching a recent high. The price has fluctuated between 130.0 and 133.0 in recent weeks, showing a narrow trading range with no clear trend. The support level will be 129.5-130.0, and the resistance level will be 133.5-134.0 unless a significant breakout occurs. The 14-day RSI stands at 46.4%. The overall market sentiment remains bearish, with a crucial support level at 129.5.



Source: Bloomberg

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