

The Japan Rubber Futures Weekly Report:

13 Mar 2023 – 17 Mar 2023

Note: Japan's 1Q Business Sentiment Index for Large Manufacturing weaker at -10.5, Jan Industrial Production weaker -5.3%

Rubber Futures Report:

World rubber futures dropped sharply across all exchanges for two consecutive weeks. Trading dominated by long liquidation and stop-loss selling hit the rubber futures prices to a four-month low. The banking turmoil arising from SVB and Signature Bank spread to Credit Suisse, and it caused concerns about a global recession that could cloud commodities prices. OSE rubber futures fell 4.9% with moderate trading volume, and SHFE and INE futures dropped 3.6% and 4.4%, respectively, amid heated trading activities. SICOM futures shed 0.9% in response to some buying transactions by physical players and bottom fishers. The USD appreciation and a sharp drop in crude oil prices also impacted sluggish rubber prices. Rubber prices will remain vulnerable, and the current downward trend could persist despite oversold conditions. In other world news, Germany and Japan vowed to deepen cooperation on defence and raw material ties on March 18. China's President Xi will travel to Russia to meet President Putin next week, which jitters western nations. The ECB raised 50 basis points to curve inflation on March 16. The Fed will have the FOMC on March 21-22, and 25 basis points rate hikes will be expected despite the ongoing turmoil in the banking sector.

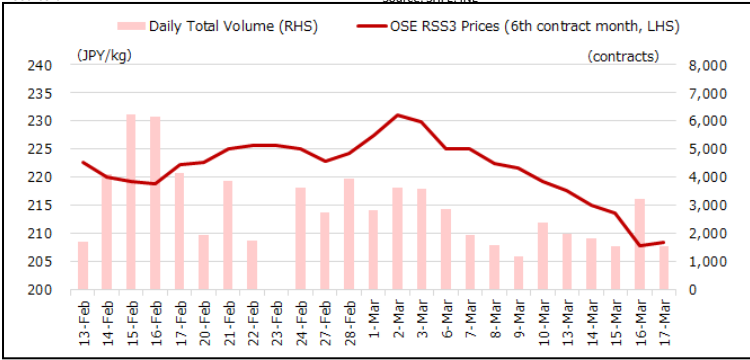
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Mar 23	200.1	-1.9	SCR/RSS May23	11,655	-440	Apr 23	131.0	-0.7	RSS3 Jul 23	53.45	-2.05
Apr 23	203.8	-2.6	SCR/RSS Sep23	11,820	-395	May 23	132.9	-1.1	RSS3 Aug 23	53.50	-2.0
May 23	206.5	-5.1	Total Vol.	1,996,035	+304,293	Jun 23	133.8	-1.5	JRF Jul 23	208.0	-9.0
Jun 23	207.0	-9.0	Total OI	395,467	-19,460	Jul 23	134.9	-1.4	JRF Aug 23	209.1	-9.6
Jul 23	207.4	-10.4	INE TSR May 23	9,380	-430	Aug 23	135.7	-1.5	ICEX	Last (INR)	Net
Aug 23	208.5	-10.7	INE TSR Jun 23	9,400	-460	Sep 23	136.8	-1.6	RSS4 Mar 23	Untraded	0
Total Vol.	10,135	+122	Total Vol.	328,574	+25,233	Total Vol.	50,659	+1,067	MCX	Last (INR)	Net
Total OI	11,698	+335	Total OI	115,408	-339	Total OI	56,757	+4,484	RSS4 Mar 23	Untraded	0

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFXE, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 28 Feb)	9,423	+646
Shanghai SHFE Rubber Stocks (ton, 17 Mar)	196,585	-2,155
Shanghai INE Rubber Stocks (ton, 17 Mar)	41,217	+100
China Vehicle Total Sales (unit, 31 Jan 23)	1,648,966	-907,278
China Passenger Car Sales (unit, 31 Jan 23)	1,468,597	-796,427
China Commercial Car Sales (unit, 31 Jan 23)	180,369	-110,851
US Unemployment Rate (% , FEB)	3.6	+0.2
US Non-Farm Payroll (Jan)	311,000	-193,000
Japan Unemployment Rate (% , Jan)	2.4	-0.1
Japan Manufacturing PMI (Feb)	47.4	-1.5
Japan Tankan Large Manufacturing (4Q)	7	-1
China Manufacturing PMI (Feb)	52.6	+2.5
China GDP 3Q (%)	+3.9	+3.5

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	131.85	-3.18
EUR/USD	1.0670	+0.0027
GBP/USD	1.2173	+0.0143
USD/CHF	0.9261	+0.0054
AUD/USD	0.6697	+0.0117
USD/CNY	6.8867	-0.0306
USD/INR	82.55	+0.5025
USD/SGD	1.3423	-0.0077
USD/MYR	4.4865	-0.0335
USD/THB	34.068	-0.683
USD/IDR	15,345	-105
USD/VND	23,586.6	-106.4

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,333.79	-810.18
TOPIX Japan	1,959.42	-72.16
Dow Jones US	31,861.98	-47.66
S&P 500 US	3,916.64	+55.05
Nasdaq US	11,630.52	+491.63
CSI 300 China	3,958.82	-8.32
Shanghai China	3,250.55	+20.47
HSI Hong Kong	19,518.59	+198.67
STI Singapore	3,183.28	+5.85
KLCI Malaysia	1,411.73	-21.35
SET Thailand	1,563.67	-35.98
IDX Indonesia	6,678.24	-87.06
VSE Vietnam	1,045.14	-7.86

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 23	27,030	-830
JPX TOPIX Jun 23	1,936.5	-68.5
JPX NK 400 Jun 23	17,450	-610
JPX TSE REIT Jun 23	1,756.0	-53.5
JPX NK 225 VI Apr 23	19.50	+1.15
JPX JGB 10 Year Jun 23	148.27	+2.12
JPX Gold 1 Kg Feb 24	8,225	+195
JPX Platinum Feb 24	4,147	+67
JPX Silver Feb 24	94.0	+4.8
JPX Palladium Feb 24	6,400	+100
JPX TSR20 Jun 23	178.0	-7.0
JPX Corn Mar 24	42,880	-260
JPX Dubai Crude Aug 23	58,520	-5,710

Source: JPX

Technical Analysis on the OSE August-2023 Contracts:

OSE's active August-2023 contract dropped JPY10.7 at 208.5. The weekly closing price became a four and half month low, indicating continuing bearish market sentiment. The price was in oversold conditions with 28.5% of the 14-day RSI. The support level will be 205.0 and 200.0, and the resistance level will be 212.5 and 217.0. Technical analysis indicates that hitting the 200.0-202.0 level could signal a rebound to 212.0, while breaking and closing below 200.0 could cap the rebound over 210.0.



Source: Bloomberg

Technical Analysis on the SGX SICOM June-2023 Contracts:

SICOM's active month of June-2023 contract shed 1.5 cents after persisting selling pressure in the past three weeks. A lack of trading flows of buyers, producers, and processors accelerated bearish market sentiment. The price hit a four-month low and has the possibility of moving lower. The 14-day RSI reached a low of 28.2% and rebounded to 35.7%, indicating still oversold. The support level will be 131.0-130.0, and the resistance level will be 136.5 and 139.0. The current oversold conditions might trigger trading for expecting a price rebound.



Source: Bloomberg

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