

The Japan Rubber Futures Weekly Report:

15 May 2023 – 19 May 2023

Japan PPI in April higher at 5.8%, annualized 1Q GDP higher at 1.6%, Industrial Production om March higher at +1.1 m/m

Rubber Futures Report:

World rubber futures closed higher in most of the major rubber exchanges. Trading volume fell sharply across all the exchanges as the prices moved within a tight trading range without clear directions. OSE rubber futures rose 1.8% amid light new buying flows. In response to short-covering trading, SHFE and INE futures grew 1.7% and 2.3%, respectively, as their trading volume fell substantially. SICOM futures were unchanged from the previous week, with new buying flows amid lower trading activities. The physical rubber market remained tight, and consumers continued to pay premiums for nearby month deliveries, keeping futures prices stable. In some producing countries, short-term supplies have been impacted by lower latex yield and poorer harvests from drought and heatwaves. G7 leaders and non-G7 primes, including Ukraine President, had the G7 summit in Hiroshima, and expressed their commitment to strengthening a free and open international order and stressed the bloc's refusal to tolerate any attempt to change the status quo by force. In the US, there was no progress on the debt ceiling talks between the White House and the Republicans about raising the ceiling of USD 31.4 trillion. The USD/CNY broke through the critical resistance level at 7.0 and rallied to a high of 7.0705. The price closed at 7.0120 after the PBOC warned to curb speculation. Japan's NK225 rallied nearly 5%, a 33-year high backed by solid buying flows mainly led by overseas investors.

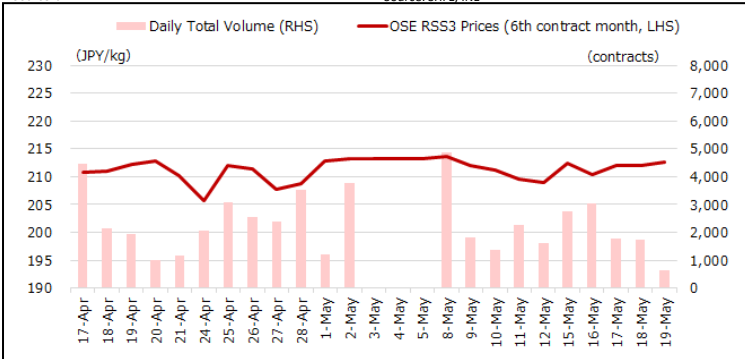
| OSE RSS3 | Last (JPY) | Net | SHFE/INE | Last (CNY) | Net | SICOM TSR20 | Last (USC) | Net | TFEX | Last (THB) | Net |
|-------------------|---------------|---------------|-------------------|------------------|-----------------|-------------------|---------------|----------------|-------------|-------------------|------------|
| May 23 | 207.9 | +6.2 | SCR/RSS Sep 23 | 12,170 | +200 | Jun 23 | 136.1 | -0.7 | RSS3 Sep 23 | 54.80 | +0.95 |
| Jun 23 | 208.5 | +4.5 | SCR/RSS Jan 24 | 13,430 | +115 | Jul 23 | 135.9 | +0.4 | RSS3 Oct 23 | 54.90 | +0.95 |
| Jul 23 | 210.0 | +5.5 | Total Vol. | 2,132,530 | -761,857 | Aug 23 | 135.3 | +0.0 | JRF Sep 23 | 212.0 | +4.3 |
| Aug 23 | 211.0 | +4.5 | Total OI | 335,580 | -11,248 | Sep 23 | 135.4 | +0.0 | JRF Oct 23 | 213.0 | +5.0 |
| Sep 23 | 211.7 | +4.1 | INE TSR Jul 23 | 9,680 | +220 | Oct 23 | 135.5 | -0.3 | ICEX | Last (INR) | Net |
| Oct 23 | 212.7 | +3.8 | INE TSR Aug 23 | 9,690 | +210 | Nov 23 | 135.9 | -0.5 | RSS4 Jun 23 | Untraded | 0 |
| Total Vol. | 9,961 | -1,931 | Total Vol. | 338,402 | -209,050 | Total Vol. | 45,123 | -10,268 | MCX | Last (INR) | Net |
| Total OI | 14,462 | +261 | Total OI | 110,529 | -3,803 | Total OI | 52,679 | +2,009 | RSS4 Jun 23 | Untraded | 0 |

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

| FOREX | Last | Net |
|---------|---------|---------|
| USD/JPY | 137.98 | +2.28 |
| EUR/USD | 1.0805 | -0.0044 |
| GBP/USD | 1.2445 | -0.0013 |
| USD/CHF | 0.8997 | +0.0022 |
| AUD/USD | 0.6651 | +0.0005 |
| USD/CNY | 7.0120 | +0.0529 |
| USD/INR | 82.6675 | +0.5025 |
| USD/SGD | 1.3444 | +0.0061 |
| USD/MYR | 4.5378 | +0.0578 |
| USD/THB | 34.375 | +0.381 |
| USD/IDR | 14,930 | +179 |
| USD/VND | 23,469 | +8 |

Source: Bloomberg

| Stock Index | Last | Net |
|----------------|-----------|-----------|
| NK225 Japan | 30,808.35 | +1,420.05 |
| TOPIX Japan | 2,161.89 | +65.30 |
| Dow Jones US | 33,426.63 | +126.01 |
| S&P 500 US | 4,191.98 | +67.90 |
| Nasdaq US | 12,657.90 | +373.16 |
| CSI 300 China | 3,944.54 | +6.78 |
| Shanghai China | 3,283.54 | +11.18 |
| HSI Hong Kong | 19,450.57 | -176.67 |
| STI Singapore | 3,202.59 | -5.96 |
| KLCI Malaysia | 1,428.54 | +5.62 |
| SET Thailand | 1,514.89 | -46.46 |
| IDX Indonesia | 6,700.56 | -7.20 |
| VSE Vietnam | 1,067.07 | +0.17 |

Source: JPX, Bloomberg

| Important Data / Stock levels | Last | Net |
|--|-----------|----------|
| Japan OSE Rubber Stocks (ton, 10 May) | 12,110 | +433 |
| Shanghai SHFE Rubber Stocks (ton, 19 May) | 184,277 | -2,735 |
| Shanghai INE Rubber Stocks (ton, 19 May) | 65,318 | +906 |
| China Vehicle Total Sales (unit, 31 Mar 23) | 2,451,030 | +474,857 |
| China Passenger Car Sales (unit, 31 Mar 23) | 2,016,942 | +364,278 |
| China Commercial Car Sales (unit, 31 Mar 23) | 434,088 | +110,579 |
| US Unemployment Rate (% Apr 23) | 3.4 | -0.1 |
| US Non-Farm Payroll (Apr 23) | 253,000 | +88,000 |
| Japan Unemployment Rate (% Mar) | 2.8 | +0.2 |
| Japan Manufacturing PMI (Apr) | 49.5 | +0.3 |
| Japan Tankan Large Manufacturing (1Q 23) | 1 | -6 |
| China Manufacturing PMI (Apr) | 49.2 | -2.7 |
| China GDP 3Q (%) | +3.9 | +3.5 |

Source: JPX, SHFE, Bloomberg

| JPX Derivatives | Last | Net |
|------------------------|---------|--------|
| JPX NK225 Jun 23 | 30,900 | +1,480 |
| JPX TOPIX Jun 23 | 2,165.5 | +68.5 |
| JPX NK 400 Jun 23 | 19,580 | +710 |
| JPX TSE REIT Jun 23 | 1,865.5 | +14.0 |
| JPX NK 225 VI Jun 23 | 19.10 | +1.25 |
| JPX JGB 10 Year Jun 23 | 148.65 | -0.31 |
| JPX Gold 1 Kg Apr 24 | 8,718 | +24 |
| JPX Platinum Apr 24 | 4,591 | +11 |
| JPX Silver Apr 24 | 104.5 | -0.2 |
| JPX Palladium Apr 24 | 6,800 | 0 |
| JPX TSR20 Aug 23 | 187.0 | +2.0 |
| JPX Corn May 24 | 38,490 | -580 |
| JPX Dubai Crude Oct 23 | 62,420 | +3,360 |

Source: JPX

Technical Analysis on the OSE Oct 2023 Contract:

OSE's active Oct-2023 contract rose JPY3.8 to 212.7 with new light buying flows. The trading volume recorded below 10,000 contracts in response to quiet transactions. The price moved within a tight range without clear directions and could continue seeing sideways markets. The support level will be 210.0 and 207.5, and the resistance level will be 217.9 and 220.9. The 14-day RSI is at 54.1%. A weaker JPY against the USD and Japan's stock market rally could support RSS futures prices in the short term.



Source: Bloomberg

Technical Analysis on the SGX SICOM Aug 2023 Contract:

Aug-2023 contract closed unchanged at 135.3 from the previous week. New light buying flows increased the OI by 2,009 contracts. The prices stayed in a tight trading range as a whole, but the premium in a physical market made the price of the front month remain high, keeping the forward curve flat. This curve structure indicates a supply shortage in the short term and a surplus in the longer term. The support level will be 135.0 and 132.5, and the resistance level will be 138.5 and 140.0. The 14-day RSI is at 45.9%. The price will likely move within a range of 132.0 and 140.0 in the near term.



Source: Bloomberg

Contact us

Kensuke Yazu

Derivatives Business Development
Osaka Exchange, Inc.

Tel: +81 (0) 50 3377 8645

Email: deri-w1@jpx.co.jp

Disclaimer

The copyrights for this document belong to Japan Exchange Group ("JPX"), and part or all of this document shall not be reproduced, republished, uploaded, linked, posted, transmitted, adapted, copied, translated, modified, edited, or otherwise displayed or distributed in any manner without JPX's prior consent.

This document is not an offer or solicitation to buy or sell, nor financial advice or recommendation for any investment product. This document is for the general circulation of the overview of JPX's futures markets only. It does not address any person's specific investment objectives, financial situation, or particular needs. Advice should be sought from a financial adviser regarding the suitability of any investment product before investing or adopting any investment strategies. Use of and/or reliance on this document is entirely at the reader's own risk. Investment products are subject to significant investment risks, including the possible loss of the principal amount invested. The past performance of investment products is not indicative of their future performance. The examples provided are for illustrative purposes only.

A designated person/company has compiled the information contained in this document from sources believed to be reliable. Still, no representation or warranty, express or implied, is made by JPX and the person/company as to its fairness, accuracy, completeness, or correctness. JPX shall not be responsible or liable, whether, under contract, tort including negligence or otherwise, for any loss or damage of any kind, whether direct, indirect, or consequential losses or other economic loss of any kind, including without limitation loss of profit, loss of reputation and loss of opportunity suffered or incurred by any person due to any omission, error, inaccuracy, incompleteness, or otherwise, any reliance on such information, or arising from and/or in connection with this document.