

The Japan Rubber Futures Weekly Report:

20 Nov –24 Nov 2023

Japan: National CPI 3.3% and Core CPI 2.9% in October, Manufacturing PMI lower at 48.1 in November

Rubber Futures Report:

Global rubber futures closed the week with mixed results, with more pronounced selling on RSS3 prices than the TSR20. Prices declined across most major exchanges, with OSE rubber futures dropping 1.2%, while SHFE and INE rubber fell by 3.1% and 3.0%, respectively. In contrast, SICOM TSR closed 0.7% higher. The market exhibited some physical and arbitrage buying, likely influenced by seasonal year-end rubber demand. Despite mixed and unclear market sentiment, an anticipation of consolidation in the next few weeks with a potential upside bias prevails. In other rubber news, Korea's Hankook Tyres decided to invest nearly EUR 540 mil in a plant in Hungary for truck and bus tires by 2027. Meanwhile, as part of a restructuring, US Goodyear Tire will close two German plants in Fulda and Fuerstenwalde, affecting 1,750 jobs. In other news, Global stock markets closed with mixed performances amid Japan and the US market holidays. Japan's stock market reached a 33-year high this week, driven by robust corporate earnings and strong buying flows from offshore investors, with the Nikkei 225 index hitting 33,845.25. China maintained its key interest rate of the PBOC loan prime rate at 3.45%. In the Middle East, a positive turn occurred as Qatar brokered a deal for a 4-day cease-fire, allowing for hostage exchange and humanitarian aid to Gaza. The USD softened slightly, and the JPY strengthened, closing the week at 149.44 after reaching 147.15.

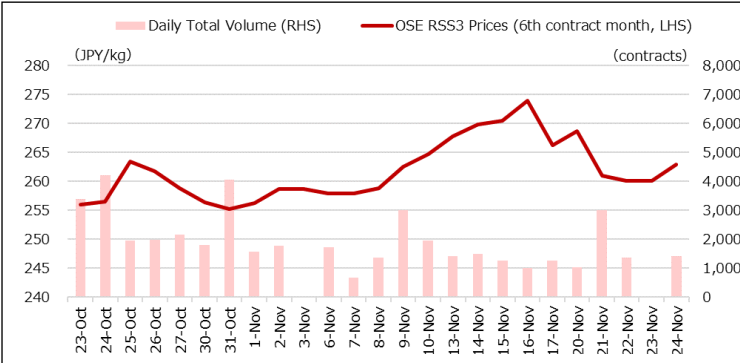
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX JRF	Last (THB)	Net
Nov 23	257.0	-23.0	SCR/RSS Jan 24	13,920	-445	Dec 23	146.7	+0.1	Mar 24	262.9	-0.7
Dec 23	258.0	-1.6	SCR/RSS May 24	14,120	-400	Jan 24	150.0	+0.8	Apr 24	265.4	-0.3
Jan 24	259.5	-3.5	Total Vol.	1,959,387	-119,793	Feb 24	151.2	+1.0	SHFE BR	Last (CNY)	Net
Feb 24	259.0	-2.7	Total OI	274,023	-9,963	Mar 24	151.8	+1.0	Jan 24	12,205	-230
Mar 24	260.3	-3.1	INE TSR Jan 24	10,590	-325	Apr 24	152.5	+1.2	Feb 24	12,230	-155
Apr 24	262.9	-3.3	INE TSR Feb 24	10,770	-265	May 24	153.1	+0.9	Mar 24	12,245	-120
Total Vol.	6,770	+356	Total Vol.	402,398	+8,992	Total Vol.	66,303	-4,776	Total Vol.	360,723	+17,593
Total OI	7,395	-48	Total OI	142,819	+2,797	Total OI	80,407	+1,408	Total OI	101,826	-14,989

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCK



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 10 Nov)	3,692	-483
Shanghai SHFE Rubber Stocks (ton, 24 Nov)	140,756	-113,748
Shanghai INE Rubber Stocks (ton, 24 Nov)	99,106	+2,822
China Vehicle Total Sales (unit, 31 Oct 23)	2,852,570	-5,664
China Passenger Car Sales (unit, 31 Oct 23)	2,487,873	+599
China Commercial Car Sales (unit, 31 Oct 23)	364,697	-6,263
US Unemployment Rate (% Oct 23)	3.9	+0.1
US Non-Farm Payroll (Oct 23)	150,000	-149,000
Japan Unemployment Rate (% Sep)	2.6	-0.1
Japan Manufacturing PMI (Oct)	48.5	+0.0
Japan Tankan Large Manufacturing (3Q 2023)	+9.0	+0.4
China Manufacturing PMI (Oct)	49.5	-0.7
China GDP 3Q 2023 (%)	4.9	-1.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	149.44	-0.19
EUR/USD	1.0940	+0.0025
GBP/USD	1.2603	+0.0141
USD/CHF	0.8830	-0.0027
AUD/USD	0.6585	+0.0070
USD/CNY	7.149	-0.0653
USD/INR	83.375	+0.105
USD/SGD	1.3401	-0.0034
USD/MYR	4.6853	+0.0048
USD/THB	35.392	+0.286
USD/IDR	15,565	+72.5
USD/VND	24,267.3	-4.1

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	33,625.53	+40.33
TOPIX Japan	2,390.94	-0.11
Dow Jones US	35,390.15	+442.87
S&P 500 US	4,559.34	+45.32
Nasdaq US	14,250.86	+125.38
CSI 300 China	3,538.01	-30.06
Shanghai China	3,040.97	-13.40
HSI Hong Kong	17,559.42	+105.23
STI Singapore	3,094.81	-29.86
KLCI Malaysia	1,453.92	-6.75
SET Thailand	1,397.43	-18.35
IDX Indonesia	7,009.63	+31.96
VSE Vietnam	1,095.61	-5.58

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 23	33,600	+0
JPX TOPIX Dec 23	2,388.5	-7.0
JPX NK 400 Dec 23	21,595	-15
JPX TSE REIT Dec 23	1,832.0	+1.0
JPX NK 225 VI Dec 23	18.15	-0.85
JPX JGB 10 Year Dec 23	145.66	-0.07
JPX Gold 1 Kg Oct 24	9,562	-42
JPX Platinum Oct 24	4,349	+63
JPX Silver Oct 24	115.3	+0.0
JPX Palladium Oct 24	5,000	+100
JPX TSR20 Feb 24	223.0	-4.0
JPX Corn Nov 24	39,650	+330
JPX Dubai Crude Apr 24	73,510	+2,380

Source: JPX

Technical Analysis on the OSE Apr-2024 Contract:

OSE's active Apr-2024 contract closed JPY 3.3 lower at 262.9 in quiet trading. Trading activities were generally subdued, with an increase in trading volume by 356 lots, while open interest fell by 48 lots. Prices are congested and will likely move within 260.0-269.0 levels in sideways trading. Anticipated support levels are 260.0 and 257.0, while resistance levels are 269.0 and 272.0. The 14-day RSI stands at 58.7%. RSS3 prices faced more selling pressure than TSR20 prices last week, narrowing the RSS-TSR price spreads.



Source: Bloomberg

Technical Analysis on the SGX SICOM Feb-2024 Contract:

SICOM's active Feb-2024 contract inched up 1 cent to close at 151.2 in moderately active trading. Despite a decrease in trading volume by 4,776 lots from the previous week, open interest rose by 1,408 lots, indicating renewed buying interest. The firmer closing prices suggest potential support in the coming weeks. The next significant resistance levels are anticipated at 153.5 and 155.5, while support levels are 148.0 and 146.0. The 14-day RSI stands at 59.1%. With technical indicators portraying a positive stance and considering the seasonal year-end demand, prices are likely to maintain firmness.



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.