

# The Japan Rubber Futures Weekly Report:

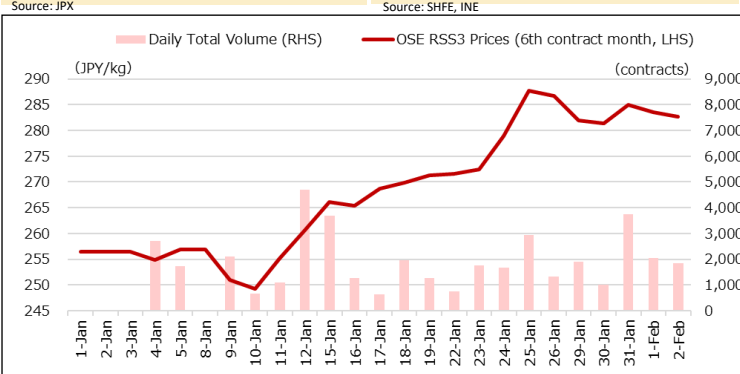
## 29 Jan - 02 Feb 2024

Japan: Unemployment Rate lower 2.4% in Dec, Industrial Production 1.8% m/m in Dec, Manufacturing PMI 48.0 in Jan

### Rubber Futures Report:

Global rubber futures closed the week with declines across all major exchanges, driven by concerns about sustained deflation in China and weak economic data, impacting both the stock market and rubber demand. OSE rubber futures fell 1.4%, while SHFE and INE were down 3.2% and 3.3%, respectively. SICOM futures were decreased by 1.8% due to the liquidation of long positions. The market saw both fresh selling and position adjustments ahead of the Chinese New Year holidays. In a single week, China's CSI 300 index dropped 4.6%, while the Shanghai composite fell by 6.2%. The International Monetary Fund (IMF) revised China's economic growth downward to 4.6%, citing high uncertainty. In rubber-related news, the Malaysian Rubber Board has implemented an incentive rubber program for smallholders triggered when the average monthly cup lump prices fall below RM 3.00/kg, with a fixed price of RM 0.90/kg for latex. China's Sailun Tire is set to increase its passenger tire capacity by 130% at its Cambodia plant. Bridgestone plans to invest USD 5.38 billion in the development of EV and Mining tires over the next three years. Yokohama Rubber has appointed Masataka Yamaishi as their new Chairman and CEO. In other global news, Fed governor Michelle Bowman stated that it is too soon to consider lowering interest rates as she expects inflation to fall further. The US reported a January unemployment rate of 3.7%, while a surprisingly solid non-farm payroll of 353,000 rallied the stock market to a record high. Tensions in the Middle East escalated as the US targeted Iranian militias in Syria and Iraq.

OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX JRF	Last (THB)	Net
Feb 24	282.5	-1.5	SCR/RSS May 24	13,260	-440	Mar 24	151.2	-3.1	Jun 24	283.6	+3.0
Mar 24	282.0	+0.8	SCR/RSS Sep 24	13,390	-430	Apr 24	151.6	-3.0	July 24	284.1	+3.0
Apr 24	281.3	-3.0	<b>Total Vol.</b>	<b>1,196,355</b>	<b>+38,265</b>	May 24	152.1	-2.8	<b>SHFE BR</b>	<b>Last (CNY)</b>	<b>Net</b>
May 24	283.3	-2.5	<b>Total OI</b>	<b>229,165</b>	<b>+12,533</b>	Jun 24	152.4	-3.0	Feb 24	12,345	+200
Jun 24	282.1	-4.4	INE TSR Mar 24	10,855	-370	July 24	152.9	-3.0	Mar 24	12,415	+220
Jul 24	282.7	-4.0	INE TSR Apr 24	10,955	-340	Aug 24	153.5	-2.9	Apr 24	12,445	+220
<b>Total Vol.</b>	<b>10,542</b>	<b>+2,098</b>	<b>Total Vol.</b>	<b>309,835</b>	<b>-338</b>	<b>Total Vol.</b>	<b>49,419</b>	<b>-6,195</b>	<b>Total Vol.</b>	<b>165,984</b>	<b>+60,515</b>
<b>Total OI</b>	<b>7,593</b>	<b>+355</b>	<b>Total OI</b>	<b>100,463</b>	<b>-2,986</b>	<b>Total OI</b>	<b>75,529</b>	<b>-1,219</b>	<b>Total OI</b>	<b>23,802</b>	<b>-800</b>



Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 Jan)	6,240	+441
Shanghai SHFE Rubber Stocks (ton, 02 Feb)	209,776	+1,925
Shanghai INE Rubber Stocks (ton, 02 Feb)	112,594	+908
China Vehicle Total Sales (unit, 31 Dec 23)	3,156,367	+186,245
China Passenger Car Sales (unit, 31 Dec 23)	2,792,005	+187,635
China Commercial Car Sales (unit, 31 Dec 23)	364,362	-1,390
US Unemployment Rate (% Jan 24)	3.7	+0.0
US Non-Farm Payroll (Jan 24)	353,000	+20,000
Japan Unemployment Rate (% Dec 23)	2.4	-0.1
Japan Manufacturing PMI (Dec)	47.9	+0.2
Japan Tankan Large Manufacturing (4Q 2023)	+12.0	+0.3
China Manufacturing PMI (Dec)	49.0	-0.4
China GDP 4Q 2023 (%)	5.2	+0.3

FOREX	Last	Net
USD/JPY	148.38	+0.23
EUR/USD	1.0788	-0.0065
GBP/USD	1.2631	-0.0072
USD/CHF	0.8668	+0.0026
AUD/USD	0.6512	-0.0063
USD/CNY	7.1935	+0.0161
USD/INR	82.9263	-0.1912
USD/SGD	1.3429	+0.0018
USD/MYR	4.717	-0.0130
USD/THB	35.552	-0.106
USD/IDR	15,660	-165
USD/VND	24,352.5	-252.5

Stock Index	Last	Net
NK225 Japan	36,158.02	+406.95
TOPIX Japan	2,539.68	+42.03
Dow Jones US	38,654.42	+544.99
S&P 500 US	4,958.61	+67.64
Nasdaq US	15,628.95	+173.59
CSI 300 China	3,179.63	-154.19
Shanghai China	2,730.15	-180.07
HSI Hong Kong	15,533.56	-418.67
STI Singapore	3,179.77	+20.24
KLCI Malaysia	1,516.58	+10.3
SET Thailand	1,384.08	+15.93
IDX Indonesia	7,238.79	+101.70
VSE Vietnam	1,172.55	-3.12

JPX Derivatives	Last	Net
JPX NK225 Mar 24	36,120	+440
JPX TOPIX Mar 24	2,536.5	+42.0
JPX NK 400 Mar 24	22,930	+430
JPX TSE REIT Mar 24	1,781.0	-9.5
JPX NK 225 VI Feb 24	19.65	-0.50
JPX JGB 10 Year Mar 24	146.94	+0.60
JPX Gold 1 Kg Dec 24	9,673	+62
JPX Platinum Dec 24	4,327	+45
JPX Silver Dec 24	109.0	+2.5
JPX Palladium Dec 24	4,600	+100
JPX TSR20 May 24	221.0	-9.0
JPX Corn Jan 25	37,570	+170
JPX Dubai Crude June 24	69,550	-2,700

### Technical Analysis on the OSE July-2024 Contract:

OSE's July-2024 contract dropped JPY 4.0, closing at 282.7. Trading was relatively active, with a weekly trading volume of 10,542 lots, driven by some light fresh selling. OI increased by 355 lots, indicating the presence of new trading interest. The recent rally, fueled by a supply shortage in Thailand, may attract sellers looking to benefit from high prices. Anticipated support levels are 276-278, while resistance levels are at 286.0-287.0. The 14-day RSI remains high at 68.9%, signaling potential profit-taking and selling. Market sentiment is robust, and the outlook remains positive and cautiously bullish, influenced by the high RSI.



### Technical Analysis on the SGX SICOM May-2024 Contract:

SICOM's active May-2024 contract saw a decrease of 2.8 cents, settling at 152.1 in quiet trading. Prices remained within a very tight range. Trading volume decreased by over 6,000 lots compared to the previous week, while OI fell by 1,219 lots, suggesting long liquidation. The market is expected to trade quietly ahead of the upcoming CNY holiday. Support levels are 150.0-150.5, while resistance levels are at 155.5-156.0. The 14-day RSI stands at a neutral level of 48.8%, indicating a lack of clear price direction. Closing below 150.0 would represent a bearish signal, while closing above 156.0 would signal a bullish trend.



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