

The Japan Rubber Futures Weekly Report:

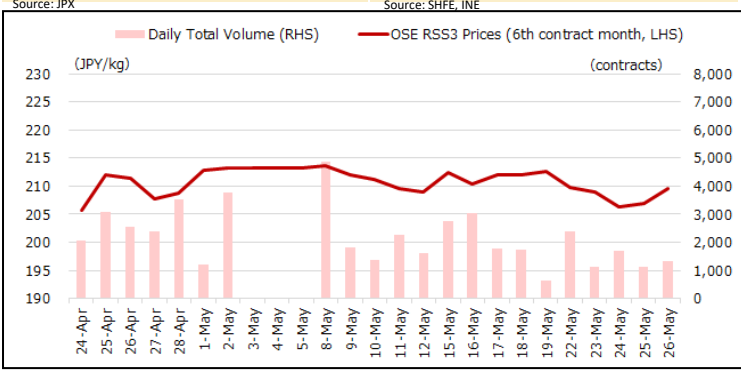
22 May 2023 – 26 May 2023

Japan May Manufacturing PMI 50.8 up from 49.5, Tokyo May CPI lower at 3.2%, April Core Machine orders -3.5% y/y

Rubber Futures Report:

World rubber futures closed lower across all major rubber exchanges. Rubber prices faced selling pressures in the week amid concerns about slower rubber demand from China in response to weaker vehicle sales and uncertainty in its economic recovery. OSE rubber futures dropped 1.5% with light trading activities, and SHFE and INE futures fell 3.1% and 2.1%, respectively, led by the liquidation of long positions. SICOM futures shed 2% amid selling pressures by producers and speculators. Concerns about China's economic recovery, including weaker vehicle demand, put downside pressures on rubber prices. China's April vehicle sales fell 292,326 units to 2,158,704 units, and Chinese tire consumers showed lower rubber demand. In other world news, BOJ Governor Ueda addressed that wages aren't the goal and achieving sustainable inflation of 2 percent is still the main consideration. The U.S. debt ceiling (USD 31.4T) negotiations gained progress between the White House and House Speaker on Friday, sparked a rally in the U.S. stock market, and the deadline was extended to June 5th. The IMF on Friday said that the U.S. interest rates will remain materially above the Fed's 2% target throughout 2023 and 2024, and the government should tighten fiscal policy. China's envoy Li Hui headed to Russia to meet foreign minister Sergei Lavrov to have potential peace talks.

OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Jun 23	204.5	-4.0	SCR/RSS Sep 23	11,790	-380	Jun 23	133.4	-2.7	RSS3 Sep 23	54.60	-0.2
Jul 23	205.0	-5.0	SCR/RSS Jan 24	13,105	-325	Jul 23	133.6	-2.3	RSS3 Oct 23	54.75	-0.15
Aug 23	206.3	-4.7	Total Vol.	2,121,660	-10,870	Aug 23	132.6	-2.7	JRF Sep 23	207.9	-4.1
Sep 23	205.8	-5.9	Total OI	318,475	-17,015	Sep 23	132.7	-2.7	JRF Oct 23	209.4	-3.6
Oct 23	207.7	-3.2	INE TSR Jul 23	9,475	-205	Oct 23	133.1	-2.4	ICEX	Last (INR)	Net
Nov 23	209.5	-3.8	INE TSR Aug 23	9,435	-255	Nov 23	133.3	-2.6	RSS4 Jun 23	Untraded	0
Total Vol.	7,628	-2,333	Total Vol.	443,085	+104,683	Total Vol.	54,198	+9,075	MCX	Last (INR)	Net
Total OI	14,358	-104	Total OI	109,484	-1,045	Total OI	57,210	+4,531	RSS4 Jun 23	Untraded	0



Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 10 May)	12,110	+433
Shanghai SHFE Rubber Stocks (ton, 26 May)	182,547	-1,730
Shanghai INE Rubber Stocks (ton, 26 May)	66,226	+908
China Vehicle Total Sales (unit, 30 Apr 23)	2,158,704	-292,326
China Passenger Car Sales (unit, 30 Apr 23)	1,811,079	-205,863
China Commercial Car Sales (unit, 30 Apr 23)	347,625	-86,463
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 (May)	50.8	+1.3
Japan Tankan Large Manufacturing (1Q 23)	1	-6
China Manufacturing PMI (Apr)	49.2	-2.7
China GDP 4Q (%)	+2.9	-1.0

FOREX	Last	Net
USD/JPY	140.60	+2.62
EUR/USD	1.0723	-0.0082
GBP/USD	1.2344	-0.0101
USD/CHF	0.9057	+0.0060
AUD/USD	0.6517	-0.0134
USD/CNY	7.0645	+0.0525
USD/INR	82.7513	+0.0838
USD/SGD	1.3522	+0.0078
USD/MYR	4.6003	+0.0625
USD/THB	34.769	+0.394
USD/IDR	14,955	+25
USD/VND	23,481	+12

Stock Index	Last	Net
NK225 Japan	30,916.31	+107.96
TOPIX Japan	2,145.84	-16.05
Dow Jones US	33,093.34	-333.29
S&P 500 US	4,205.45	+134.47
Nasdaq US	12,975.69	+317.79
CSI 300 China	3,850.95	-93.59
Shanghai China	3,212.50	-71.04
HSI Hong Kong	18,746.92	-703.65
STI Singapore	3,207.39	+4.8
KLCI Malaysia	1,402.98	-25.56
SET Thailand	1,530.84	+15.95
IDX Indonesia	6,687.00	-13.56
VSE Vietnam	1,063.76	-3.31

JPX Derivatives	Last	Net
JPX NK225 Jun 23	30,960	+60
JPX TOPIX Jun 23	2,144.5	-21.0
JPX NK 400 Jun 23	19,420	-160
JPX TSE REIT Jun 23	1,844.0	-21.5
JPX NK 225 VI Jun 23	18.70	-0.4
JPX JGB 10 Year Jun 23	148.56	-0.09
JPX Gold 1 Kg Apr 24	8,741	+23
JPX Platinum Apr 24	4,520	-71
JPX Silver Apr 24	103.1	-1.4
JPX Palladium Apr 24	6,600	-200
JPX TSR20 Aug 23	182.0	-5.0
JPX Corn May 24	39,500	+1,010
JPX Dubai Crude Oct 23	62,630	+210

Technical Analysis on the OSE Oct 2023 Contract:
 OSE's Oct-2023 futures dropped JPY3.2 at 207.7 under quiet transactions. The market seemed inactive as the weekly volume decreased to 7,628 contracts, and the open interest marginally dropped. The price went sideways and will likely move within the 200-220 range in the medium term. The 14-day RSI stayed at the neutral level of 52.3%. The long-term bearish sentiment could bottom out as the price moved closer to the three MAs. The support level will be 205.0 and 201.0, and the resistance level will be 217.3 and 220.0. The new Nov contracts will become the actively traded month from the next week.



Technical Analysis on the SGX SICOM Aug 2023 Contract:
 SICOM's Aug-2023 contract shed 2.7 cents at 132.6 amid active trading with new selling pressures. The weekly trading volume was over 54,000 contracts, and the open interest increased by 4,531, indicating new selling flows from producers and speculators. The bearish sentiment would continue as the price broke the short-term support level of 135.0. The next crucial support level will be 130.5, and closing below 130.0 could trigger further declines. The support level will be 131.0 and 130.0, and the resistance level will be 135.0 and 135.5. The 14-day RSI is lower at 40.5%. The price will likely move in the 130.5-135.5 range next week.



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