

# The Japan Rubber Futures Weekly Report:

## 08 May 2023 – 12 May 2023

Japan's PMI Services in Apr higher at 55.4, Household Spending in Mar lower at -1.9%, Current Account in Mar lower at JPY 2.278T

### Rubber Futures Report:

World rubber futures closed mixed in major exchanges. OSE rubber futures dropped 2% with light trading volume, containing some long-position liquidation. SHFE futures were up 2.1% amid heavy transactions with short-covering trading, while INE futures closed 1% lower, facing fresh active speculative selling. SICOM futures shed 0.7%, moving within a tight trading range without any clear direction. There was mixed news of rubber markets; some drought and rubber tree diseases reported in several producing countries supported the prices, while the uncertainty of a Chinese economic recovery continued to push downward pressure. The daily average volume of SHFE futures last week was around 580,000, the highest level for a year. The trading flow seems to arise from commodities funds, and their continuing transactions could make the market more active and volatile. In other world news, the G7 Finance Ministers Meeting in Niigata, Japan, called for an immediate end to the war, and G7 countries pledged an additional USD 44B in aid to Ukraine by early 2024. US CPI in April dropped to 4.9% y/y, a slightly lower-than-expected, and PPI was also lower at 2.3% y/y. US Fed governor Philip Jefferson was nominated as the new Fed Vice-Chairman, and he said that Fed's current policy is "well on track." The USD moved higher, while WTI crude oil price fell to close at USD70.09 per barrel.

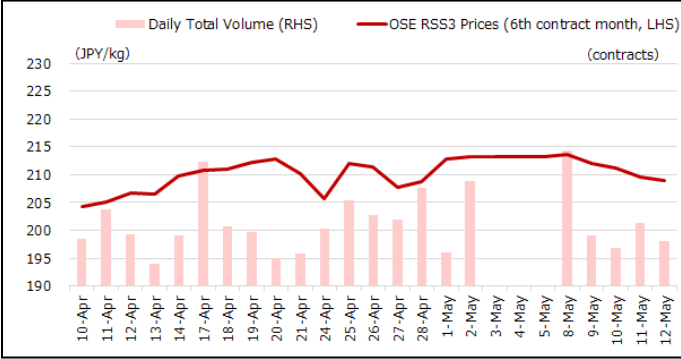
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
May 23	201.7	-2.4	SCR/RSS Sep 23	11,970	+250	Jun 23	136.8	+0.8	RSS3 Sep 23	53.85	+1.6
Jun 23	204.0	-1.4	SCR/RSS Jan 24	13,315	+525	Jul 23	135.5	-0.2	RSS3 Oct 23	53.95	+1.7
Jul 23	204.5	-2.9	<b>Total Vol.</b>	<b>2,894,387</b>	<b>+2,207,411</b>	Aug 23	135.3	-1.0	JRF Sep 23	207.7	-2.5
Aug 23	206.5	-4.0	<b>Total OI</b>	<b>346,828</b>	<b>-18,453</b>	Sep 23	135.4	-1.5	JRF Oct 23	208.0	-3.3
Sep 23	207.6	-4.7	INE TSR Jul 23	9,460	-100	Oct 23	135.8	-1.5	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
Oct 23	208.9	-4.3	INE TSR Aug 23	9,480	-140	Nov 23	136.4	-1.1	RSS4 Jun 23	Untraded	0
<b>Total Vol.</b>	<b>11,892</b>	<b>+6,893</b>	<b>Total Vol.</b>	<b>547,452</b>	<b>+437,958</b>	<b>Total Vol.</b>	<b>55,391</b>	<b>+26,502</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>14,201</b>	<b>-663</b>	<b>Total OI</b>	<b>114,332</b>	<b>+18,333</b>	<b>Total OI</b>	<b>50,670</b>	<b>-101</b>	RSS4 Jun 23	Untraded	0

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFE, ICEX, MCX



Source: JPX

FOREX	Last	Net
USD/JPY	135.70	+0.90
EUR/USD	1.0849	-0.0170
GBP/USD	1.2458	-0.0178
USD/CHF	0.8975	+0.0066
AUD/USD	0.6646	-0.0103
USD/CNY	6.9591	+0.0497
USD/INR	82.165	+0.3675
USD/SGD	1.3383	+0.0125
USD/MYR	4.4800	+0.0437
USD/THB	33.994	+0.120
USD/IDR	14,751	+73
USD/VND	23,461	+11

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	29,388.30	+230.35
TOPIX Japan	2,096.39	+20.86
Dow Jones US	33,300.62	-373.76
S&P 500 US	4,124.08	-12.17
Nasdaq US	12,284.74	+49.33
CSI 300 China	3,937.76	-79.12
Shanghai China	3,272.36	-64.14
HSI Hong Kong	19,627.24	-422.07
STI Singapore	3,208.55	-58.08
KLCI Malaysia	1,422.92	-8.12
SET Thailand	1,561.35	+28.05
IDX Indonesia	6,707.76	-79.87
VSE Vietnam	1,066.90	+26.59

Source: JPX, Bloomberg

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 30 Apr)	11,677	+496
Shanghai SHFE Rubber Stocks (ton, 12 May)	187,012	-1,970
Shanghai INE Rubber Stocks (ton, 12 May)	64,412	+5,444
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	29,420	+290
JPX TOPIX Jun 23	2,097.0	+20.5
JPX NK 400 Jun 23	18,870	+170
JPX TSE REIT Jun 23	1,851.5	-8.5
JPX NK 225 VI Jun 23	17.85	-0.85
JPX JGB 10 Year Jun 23	148.96	+0.51
JPX Gold 1 Kg Apr 24	8,694	-71
JPX Platinum Apr 24	4,580	-1
JPX Silver Apr 24	104.7	-5.4
JPX Palladium Apr 24	6,800	+200
JPX TSR20 Aug 23	185.0	+0.0
JPX Corn May 24	39,070	-2,960
JPX Dubai Crude Sep 23	59,060	-630

Source: JPX

### Technical Analysis on the OSE Oct 2023 Contracts:

OSE's Oct-2023 contracts dropped JPY4.3 to 208.9 with relatively quiet transactions. The trading volume was sluggish as the prices moved within a tight trading range. The OI decreased by 663 contracts, indicating some long-position liquidation occurred. The market will likely continue to move without a clear direction, and a medium-term trading range could remain between 200 and 215 until a further breakout happens. The support level will be 205.8 and 203.0, and the resistance level will be 212.0 and 218.6. The 14-day RSI is at 44.1%. The price below the three MAs suggests a bear market sentiment persists.



Source: Bloomberg

### Technical Analysis on the SGX SICOM Aug 2023 Contracts:

SICOM's active Aug-2023 contracts shed 1.0 cents to 135.3 amid active transactions. Physical rubber demand from short-term shortages kept the front-month prices higher while the forward-month prices were almost no changes this week. The support level will be 135.0 and 132.0, and the resistance level will be 139.0 and 140.5. The price needs to break and close above the 141.0 level to turn an upward trend. The 14-day RSI is at 45.6%. Next week, the price will likely move within a tight range, between 135.0 and 139.0, if there are no material events.



Source: Bloomberg

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