

# The Japan Rubber Futures Weekly Report:

## 12 June 2023 – 16 June 2023

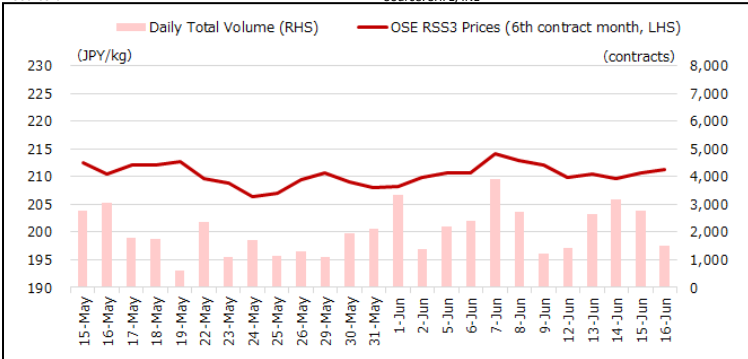
Japan's Machinery Orders +5.5% m/m in Apr, Trade Balance -USD 1.3725 trillion in May, the BOJ maintained its monetary policy

### Rubber Futures Report:

World rubber futures closed the week mixed in tight and directionless trading. OSE rubber fell 0.3%. Despite subdued trading activities, OSE's open interest recorded a new high of 15,777 contracts in response to establishing new positions. SHFE and INE futures grew 0.5% in moderate trading volume. SICOM futures closed 0.4% higher amid light new buying trading flows. Consumer players continued to buy SICOM's near-month contracts at a premium, at least a 9-10 cents premium for August deliveries, marking the price curve flattened. Rubber prices will likely remain stable with warm weather and the El Nino expectation. The news that China vehicle sales had increased by 222,910 units to 2,381,614 units in May also gave a positive sign to the market though commercial vehicles fell by 17,134 units. In other world news, China's central bank cut its 7-day repo rate by ten basis points to 1.9% and its 1-year loan rate by ten basis points to 2.65% to stimulate the economy. The BOJ maintained its monetary policy in Japan, keeping the key policy rate at -0.1%. The Nikkei 225 index soared above JPY 33,700, the highest level in 33 years. The US Fed decided to maintain its Fed Funds rate at 5.00-5.25% at the FOMC meeting but indicated that they would hike additional hikes twice with 25 basis points each to tame inflation.

OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Jun 23	206.9	+2.4	SCR/RSS Sep 23	12,135	+65	Jul 23	134.3	+1.0	RSS3 Oct 23	51.60	-3.2
Jul 23	207.3	+1.3	SCR/RSS Jan 24	13,375	+60	Aug 23	133.7	+0.7	RSS3 Nov 23	51.65	-3.25
Aug 23	209.0	+1.6	<b>Total Vol.</b>	<b>1,537,985</b>	<b>-109,691</b>	Sep 23	133.2	+0.5	JRF Oct 23	209.2	-0.6
Sep 23	207.1	-0.5	<b>Total OI</b>	<b>315,023</b>	<b>+4,783</b>	Oct 23	133.3	+0.3	JRF Nov 23	210.5	-1.4
Oct 23	209.8	-0.5	INE TSR Aug 23	9,745	-5	Nov 23	133.5	+0.1	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
Nov 23	211.3	-0.7	INE TSR Sep 23	9,745	+45	Dec 23	134.0	+0.1	RSS4 Jul 23	Untraded	0
<b>Total Vol.</b>	<b>11,528</b>	<b>-950</b>	<b>Total Vol.</b>	<b>285,803</b>	<b>-75,772</b>	<b>Total Vol.</b>	<b>46,475</b>	<b>+13,314</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>15,777</b>	<b>+919</b>	<b>Total OI</b>	<b>91,556</b>	<b>-10,685</b>	<b>Total OI</b>	<b>57,818</b>	<b>+1,441</b>	RSS4 Jul 23	Untraded	0

Source: JPX, SHFE, INE, SGX, TFXE, ICEX, MCX



Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 May)	11,850	-839
Shanghai SHFE Rubber Stocks (ton, 16 Jun)	182,584	+1,003
Shanghai INE Rubber Stocks (ton, 16 Jun)	71,467	+2,217
China Vehicle Total Sales (unit, 31 May 23)	2,381,614	+222,910
China Passenger Car Sales (unit, 31 May 23)	2,051,123	+240,044
China Commercial Car Sales (unit, 31 May 23)	330,491	-17,134
US Unemployment Rate (% May 23)	3.7	+0.3
US Non-Farm Payroll (May 23)	339,000	+45,000
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 (May)	50.8	-1.3
China GDP 4Q (%)	+2.9	-1.0

FOREX	Last	Net
USD/JPY	141.82	+2.42
EUR/USD	1.0937	+0.0188
GBP/USD	1.2817	+0.0245
USD/CHF	0.8938	-0.0095
AUD/USD	0.6875	+0.0133
USD/CNY	7.1269	-0.0036
USD/INR	81.9337	-0.5288
USD/SGD	1.3375	-0.0059
USD/MYR	4.6147	+0.0010
USD/THB	34.655	+0.06
USD/IDR	14,940	+100
USD/VND	23,535	+55

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	33,706.08	+1,440.91
TOPIX Japan	2,300.36	+76.04
Dow Jones US	34,299.12	+422.34
S&P 500 US	4,409.59	+110.73
Nasdaq US	13,689.57	+430.43
CSI 300 China	3,963.35	+126.65
Shanghai China	3,273.33	+41.92
HSI Hong Kong	20,040.37	+650.42
STI Singapore	3,260.03	+73.06
KLCI Malaysia	1,388.61	+12.53
SET Thailand	1,559.39	+3.02
IDX Indonesia	6,698.55	+4.53
VSE Vietnam	1,115.22	+7.69

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 23	33,650	+450
JPX TOPIX Sep 23	2,292.5	+73.0
JPX NK 400 Sep 23	20,860	+680
JPX TSE REIT Sep 23	1,844.0	-6.5
JPX NK 225 VI July 23	18.80	-0.25
JPX JGB 10 Year Sep 23	148.32	+0.31
JPX Gold 1 Kg Apr 24	8,845	+61
JPX Platinum Apr 24	4,412	-41
JPX Silver Apr 24	107.3	-0.5
JPX Palladium Apr 24	6,200	-200
JPX TSR20 Sep 23	187.0	+2.0
JPX Corn July 24	42,600	+3,500
JPX Dubai Crude Nov 23	63,410	+1,470

Source: JPX

### Technical Analysis on the OSE Nov-2023 Contract:

OSE's Nov-2023 contract dropped JPY0.7 at 211.3 in subdued trading. Despite the moderate trading volume, the open interest recorded a new high of 15,777 contracts in response to establishing new positions. The forward curve flattened, indicating relatively strong demand in the near months and oversupply concerns arising from accumulated warehouse stocks in the mid and longer term. The support level will be 210.0 and 201.0, and the resistance level will be 215.5 and 218.9. The buying and selling are balanced and neutral, with a 14-day RSI of 49.8%. The trading range will likely be between 209 and 215 next week.



Source: Bloomberg

### Technical Analysis on the SGX SICOM Sep-2023 Contract:

SICOM's active Sep-2023 contract inched up at 133.2 in quiet trading. Despite an increase in weekly trading volume and open interest, the trading range remained tight and directionless. Consumer demands have pushed short-term prices, making the first six months' prices almost at the same level and the forward curve flat. The trading range could remain between 130 and 135 unless a price breakout occurs. The sideways market will likely persist under the support level at 129.5/130 and the resistance level at 134.5/135.0. The 14-day RSI is at the neutral level of 50.3%.



Source: Bloomberg

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