

The Japan Rubber Futures Weekly Report:

02 Oct – 06 Oct 2023

Japan: 3Q Tankan Large Manufacturing +9, Large Non-Manufacturing +27, Household Spending -2.5% y/y, +3.9% m/m in Aug

Rubber Futures Report:

Global rubber futures had a lower week as trading remained very quiet, primarily due to the week-long Chinese market holidays that kept many traders on the sidelines. OSE rubber futures dropped 1.8%, while SICOM rubber fell 1.1%. Although OSE's trading volume remained nearly unchanged, SICOM's volume dropped substantially. Rubber prices trended lower during this period, influenced by a strong USD, rising US interest rates, and concerns regarding weaker global demand. Additionally, WTI crude oil prices dipped significantly, going from above USD 83 per barrel to USD 90, attributed mainly to decreased demand and higher inventory levels. In related rubber news, there was progress in the US auto strike, leading to the strike being called off following concessions related to Electric Vehicle (EV) battery plants. Vietnam emerged as the second-largest exporter of rubber to China after Thailand for the first eight months of this year, accounting for 976,100 metric tons or 18.2% of China's total imports. In the US, the unemployment rate recorded steady at 3.8% in September, but a surprisingly robust non-farm payroll number of 366,000 led to renewed expectations of the Fed's potential rate hikes. This news triggered a sell-off in the US bond market, causing the USD to rally against major currencies and pressure global equities. Note that the Japanese market is closed for a public holiday on Monday, while the Chinese market is to resume trading on Monday following the conclusion of the long holidays.

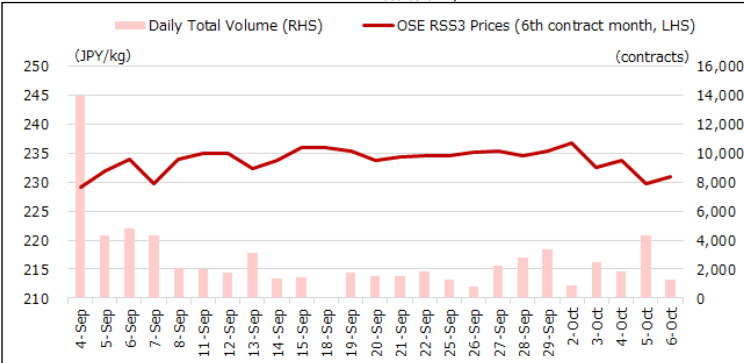
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX JRF	Last (THB)	Net
Oct 23	232.5	+3.7	SCR/RSS Jan 24	13,890	Closed	Nov 23	138.6	-1.2	Feb 24	230.2	-2.2
Nov 23	226.1	+0.3	SCR/RSS May 24	13,835	Closed	Dec 23	139.8	-1.7	Mar 24	232.6	-2.9
Dec 23	224.0	-2.5	Total Vol.	1,235,169	Closed	Jan 24	140.8	-1.6	SHFE BR	Last (CNY)	Net
Jan 24	224.7	-4.0	Total OI	247,041	Closed	Feb 24	141.1	-1.6	Jan 24	12,890	Closed
Feb 24	229.0	-2.9	INE TSR Nov 23	10,580	Closed	Mar 24	141.5	-1.9	Feb 24	12,725	Closed
Mar 24	231.0	-4.3	INE TSR Dec 23	10,545	Closed	Apr 24	142.2	-1.9	Mar 24	12,670	Closed
Total Vol.	10,742	+311	Total Vol.	348,452	Closed	Total Vol.	18,986	-24,383	Total Vol.	353,789	Closed
Total OI	10,096	+121	Total OI	122,543	Closed	Total OI	64,452	-897	Total OI	148,029	closed

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCK



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 Sep)	7,641	-491
Shanghai SHFE Rubber Stocks (ton, 06 Oct)	239,748	+3,496
Shanghai INE Rubber Stocks (ton, 6 Oct)	72,071	+907
China Vehicle Total Sales (unit, 31 Aug 23)	2,582,401	+195,469
China Passenger Car Sales (unit, 31 Aug 23)	2,272,782	+172,934
China Commercial Car Sales (unit, 31 Aug 23)	309,618	+22,535
US Unemployment Rate (% Sep 23)	3.8	+0.0
US Non-Farm Payroll (Aug 23)	336,000	+109,000
Japan Unemployment Rate (% Aug)	2.7	+0.0
Japan Manufacturing PMI (Aug)	48.6	-1.1
Japan Tankan Large Manufacturing (3Q 2023)	+9.0	+0.4
China Manufacturing PMI (Aug)	49.7	+0.4
China GDP 4Q (%)	+2.9	-1.0

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	149.32	-0.05
EUR/USD	1.0586	+0.0013
GBP/USD	1.2237	+0.0038
USD/CHF	0.9098	-0.0055
AUD/USD	0.6486	-0.0049
USD/CNY	7.2980	+0.0000
USD/INR	83.2475	+0.2075
USD/SGD	1.3651	-0.0011
USD/MYR	4.7135	+0.0185
USD/THB	36.92	+0.349
USD/IDR	15,612.5	+152.5
USD/VND	24,389	+84

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	30,994.67	-866.83
TOPIX Japan	2,264.08	-59.31
Dow Jones US	33,407.58	-99.92
S&P 500 US	4,308.50	+20.45
Nasdaq US	13,431.34	+212.02
CSI 300 China	3,689.52	+0.00
Shanghai China	3,110.48	+0.00
HSI Hong Kong	17,485.98	-323.68
STI Singapore	3,174.39	-43.02
KLCI Malaysia	1,416.88	-7.29
SET Thailand	1,438.45	-32.98
IDX Indonesia	6,888.52	+248.63
VSE Vietnam	1,128.54	-25.61

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 23	31,020	-840
JPX TOPIX Dec 23	2,263.0	-60.5
JPX NK 400 Dec 23	20,415	-500
JPX TSE REIT Dec 23	1,821.5	-28.5
JPX NK 225 VI Oct 23	21.45	+2.15
JPX JGB 10 Year Dec 23	144.77	-0.19
JPX Gold 1 Kg Aug 24	8,710	-243
JPX Platinum Aug 24	4,080	-270
JPX Silver Aug 24	101.6	-8.7
JPX Palladium Aug 24	5,600	-350
JPX TSR20 Jan 24	210.0	-1.0
JPX Corn Sept 24	39,280	+140
JPX Dubai Crude Feb 24	73,400	-6,740

Source: JPX

Technical Analysis on the OSE Mar-2024 Contract:

In the OSE market, the active new Mar-2024 contract fell 1.8% (JPY -4.3) to close at 231.0 without significant news. Trading was subdued as Chinese traders were away due to the long Golden Week holidays. The support level will be 230.0, and the resistance level will be 236.0. Both trading volume and open interest remained the same from the previous week, suggesting a lack of market drivers. The 14-day RSI stands at 57% at the neutral level. Note that the Japanese market will be closed on Monday due to a public holiday.



Source: Bloomberg

Technical Analysis on the SGX SICOM Jan-2024 Contract:

In the SICOM market, the active Jan-2024 contract slipped by 1.6 cents, closing at 140.8 in extremely quiet trading. Trading volume saw a substantial drop, down by 24,000 lots compared to the previous week. Open interest also decreased by 837 lots due to light position liquidation. Throughout the week, the trading range remained narrow as Chinese traders were absent during the Golden Week holidays. The support levels will be in the 140.0-139.0 range, and the resistance levels will be at 145.0-146.0. The 14-day RSI fell to 53%.



Source: Bloomberg

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