

The Japan Rubber Futures Weekly Report:

05 June 2023 – 09 June 2023

Japan's 1Q GDP growth higher +0.7% Q/Q and +2.7% Y/Y, PMI Services at 55.9 in May, Current Account of JPY 1.895T in April

Rubber Futures Report:

World rubber futures inched up in subdued trading with several short-covering transactions. OSE rubber futures rose 1%, and SHFE and INE futures added 1.1% and 2%, respectively. SICOM futures closed 1.3% higher in response to the tight physical market conditions where tire consumers pay a 10-12 cents premium on near-month deliveries. Rubber prices had moved within a tight trading range as poorer China's economic data cooled market sentiment. On the supply side, concerns about further dry weather and El Niño acceleration could impact commodity prices. Inflation in China stayed at low levels in May. CPI rose 0.2%, and PPI fell 4.6% year/year; the numbers were weaker than the market expectation. Japan's GDP growth rose 2.7% year/year in the 1Q, pushing the Nikkei 225 index to 741 yen higher than a week ago. In Ukraine, fights near Bakhmut intensified, and Iran was accused of supplying drones. UK former PM Boris Johnson abruptly resigned as a member of parliament to protest an investigation. The FOMC meeting is scheduled for June 14th, and the market estimates the Fed will pause the interest rate hike this time.

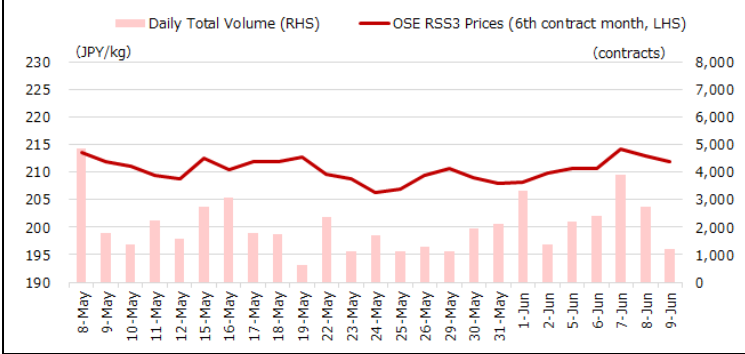
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Jun 23	204.5	-0.7	SCR/RSS Sep 23	12,070	+135	Jul 23	133.3	+1.4	RSS3 Oct 23	54.80	-1.65
Jul 23	206.0	+0.5	SCR/RSS Jan 24	13,315	+60	Aug 23	133.0	+1.4	RSS3 Nov 23	54.90	-1.80
Aug 23	207.4	+0.3	Total Vol.	1,647,676	-50,583	Sep 23	132.7	+1.7	JRF Oct 23	209.8	+1.5
Sep 23	207.6	+1.5	Total OI	310,240	-4,220	Oct 23	133.0	+2.2	JRF Nov 23	211.9	+2.0
Oct 23	210.3	+2.0	INE TSR Aug 23	9,750	+190	Nov 23	133.4	+2.1	ICEX	Last (INR)	Net
Nov 23	212.0	+2.2	INE TSR Sep 23	9,700	+140	Dec 23	133.9	+2.1	RSS4 Jul 23	Untraded	0
Total Vol.	12,478	+2,598	Total Vol.	361,575	-363	Total Vol.	33,161	+4,858	MCX	Last (INR)	Net
Total OI	14,858	+327	Total OI	102,241	-4,397	Total OI	56,377	-1,225	RSS4 Jul 23	Untraded	0

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 May)	11,850	-839
Shanghai SHFE Rubber Stocks (ton, 9 Jun)	181,581	-42
Shanghai INE Rubber Stocks (ton, 9 Jun)	69,250	+2,015
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 (% , 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

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	139.40	-0.52
EUR/USD	1.0749	+0.0041
GBP/USD	1.2572	+0.0119
USD/CHF	0.9033	-0.0058
AUD/USD	0.6742	+0.0132
USD/CNY	7.1305	+0.0319
USD/INR	82.4625	+0.155
USD/SGD	1.3434	-0.0069
USD/MYR	4.6137	+0.0372
USD/THB	34.595	-0.207
USD/IDR	14,840	-154
USD/VND	23,480	-6

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	32,265.17	+740.95
TOPIX Japan	2,224.32	+41.62
Dow Jones US	33,876.78	+114.02
S&P 500 US	4,298.86	+16.49
Nasdaq US	13,259.14	+18.37
CSI 300 China	3,836.70	-25.13
Shanghai China	3,231.41	+1.32
HSI Hong Kong	19,389.95	+440.01
STI Singapore	3,186.97	+20.67
KLCI Malaysia	1,376.08	-5.18
SET Thailand	1,556.37	+25.17
IDX Indonesia	6,694.02	+60.76
VSE Vietnam	1,107.53	+16.69

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 23	32,200	+710
JPX TOPIX Sep 23	2,219.5	+39.5
JPX NK 400 Sep 23	20,180	+405
JPX TSE REIT Sep 23	1,850.5	+14.0
JPX NK 225 VI Jun 23	20.50	+1.85
JPX JGB 10 Year Sep 23	148.01	-0.06
JPX Gold 1 Kg Apr 24	8,784	-32
JPX Platinum Apr 24	4,453	+21
JPX Silver Apr 24	107.8	+0.8
JPX Palladium Apr 24	6,400	0
JPX TSR20 Sep 23	185.0	+2.0
JPX Corn May 24	40,410	+150
JPX Dubai Crude Oct 23	62,550	+740

Source: JPX

Technical Analysis on the OSE November-2023 Contract:

OSE's active November-2023 contract closed 2.2 JPY higher at 212.0 in subdued trading. Several new buying trading flows were observed, and the open interest rose with an additional 327 contracts. The price tried to break the upper resistance level of the triangular formation, but the weak closing level could not arouse a further rally. The support level will be 210.0 and 206.0, and the resistance level will be 216.2 and 219.3. The 14-day RSI is at the neutral level of 53.6%.



Source: Bloomberg

Technical Analysis on the SGX SICOM September-2023 Contract:

SICOM's September-2023 contract moved within a tight range, adding 1.7 cents at 132.7 in quiet trading. The trading volume remained small, and the open interest fell by 1,225 contracts in response to some short-covering trading. The market sentiment remains bearish, but the acceleration of drought and El Niño could impact commodity prices, including physical rubber. The trading range will likely keep the 130-135 level unless a further breakout of below 129.5 or above 135.0 occurs. The 14-day RSI is at 46.0%. The support level will be 129.5 and 130.0, and the resistance level will be 135.0 and 135.5 for the next week.



Source: Bloomberg

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