

The Japan Rubber Futures Weekly Report:

10 April 2023 – 14 Apr 2023

Note: Japan's PPI in Mar was Flat (0%) m/m, +7.2% y/y, Core Machine Orders in Feb recorded -4.5% m/m, +9.8% y/y.

Rubber Futures Report:

World rubber futures closed higher across all major exchanges. The open interest of most exchanges dropped sharply, signalling that futures prices seemed to hit short-covering levels. Expectations of the economic recovery in China, a mild USD movement, higher crude oil prices, and a possible peak of inflation may have aroused rubber-buying interest. OSE rubber futures rallied 2.5%, and SHFE and INE futures rose 0.8% and 1.0%, respectively. SICOM futures added 0.9% with physical-related buying transactions by commercials. The rubber price sentiment remains steady, and the prices will try to consolidate within a tight range movement in the next few weeks. In other world news, the new BOJ governor Ueda said he had no plans to make any significant changes in monetary policy, pushing the JPY weaker against the USD. Japanese stocks rallied the week after legendary investor Warren Buffet mentioned considering further investments in Japanese stocks. The IMF revised the global economic growth forecast to cut to 2.8% for 2023, down 0.1 percentage points from the previous projection in January. The IMF warned of the possibility of the global economy's slowdown from rapid interest rate hikes and the recent banking turmoil. US CPI in March rose 5% over the prior year, a slowdown from February's 6% year-on-year increase. The US Fed will hold an FOMC meeting on May 2nd, and the market is expecting a possible 0.25 percentage points hike.

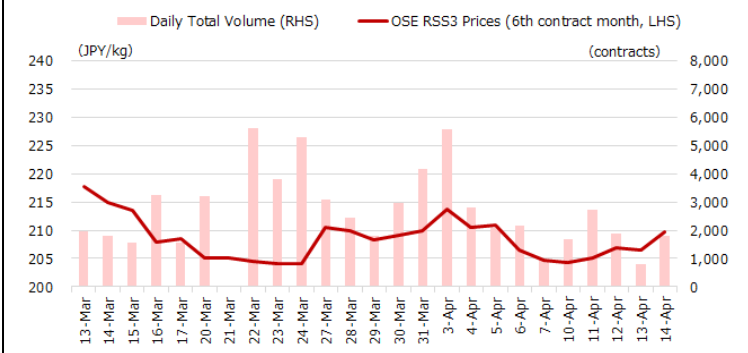
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Apr 23	203.0	+2.9	SCR/RSS May23	11,575	+90	May 23	134.7	+1.9	RSS3 Aug 23	54.00	-0.70
May 23	203.9	+3.1	SCR/RSS Sep23	11,710	+90	Jun 23	135.0	+1.6	RSS3 Sep 23	54.00	-0.80
Jun 23	205.7	+3.8	Total Vol.	1,295,918	-80,259	Jul 23	135.6	+1.2	JRF Aug 23	207.4	+1.5
Jul 23	207.9	+3.9	Total OI	395,816	-10,126	Aug 23	136.3	+1.1	JRF Sep 23	207.3	+1.3
Aug 23	209.2	+4.4	INE TSR Jun 23	9,470	+90	Sep 23	137.0	+0.6	ICEX	Last (INR)	Net
Sep 23	209.8	+5.2	INE TSR Jul 23	9,550	+100	Oct 23	137.9	+0.5	RSS4 Apr 23	Untraded	0
Total Vol.	8,896	-4,630	Total Vol.	280,587	+41,980	Total Vol.	39,265	+14,705	MCX	Last (INR)	Net
Total OI	14,117	+99	Total OI	98,859	-1,227	Total OI	53,523	-2,302	RSS4 Apr 23	Untraded	0

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX1



Source: JPX

FOREX	Last	Net
USD/JPY	133.79	+1.63
EUR/USD	1.0992	+0.0087
GBP/USD	1.2413	-0.0005
USD/CHF	0.8937	-0.0117
AUD/USD	0.6707	+0.0035
USD/CNY	6.8691	+0.0012
USD/INR	81.8538	-0.0437
USD/SGD	1.3301	+0.0003
USD/MYR	4.4012	-0.0003
USD/THB	34.303	+0.108
USD/IDR	14,705	-208
USD/VND	23,444	-7

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,493.47	+975.16
TOPIX Japan	2,018.72	+53.28
Dow Jones US	33,866.47	+401.18
S&P 500 US	4,137.64	+32.62
Nasdaq US	12,123.46	+35.50
CSI 300 China	4,092.00	-31.28
Shanghai China	3,338.15	+10.50
HSI Hong Kong	20,438.81	+107.61
STI Singapore	3,302.66	+2.18
KLCI Malaysia	1,435.13	+8.09
SET Thailand	1,592.67	+15.06
IDX Indonesia	6,818.57	+25.80
VSE Vietnam	1,052.89	-16.82

Source: JPX, Bloomberg

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31/3)	10,700	+1,168
Shanghai SHFE Rubber Stocks (ton, 14 Apr)	194,612	-793
Shanghai INE Rubber Stocks (ton, 14 Apr)	51,699	+3,204
China Vehicle Total Sales (unit, 28 Feb 23)	1,976,173	+327,207
China Passenger Car Sales (unit, 28 Feb 23)	1,652,664	+184,067
China Commercial Car Sales (unit, 28 Feb 23)	323,509	+143,140
US Unemployment Rate (% Mar 23)	3.5	-0.1
US Non-Farm Payroll (Mar 23)	236,000	-90,000
Japan Unemployment Rate (% Feb)	2.6	+0.2
Japan Manufacturing PMI (Mar)	48.6	+0.9
Japan Tankan Large Manufacturing (1Q 23)	1	-6
China Manufacturing PMI (Mar)	51.9	-0.7
China GDP 3Q (%)	+3.9	+3.5

Source: JPX, SHFE, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 23	28,420	+880
JPX TOPIX Jun 23	2,015.0	+49.5
JPX NK 400 Jun 23	18,170	+475
JPX TSE REIT Jun 23	1,805.5	+6.5
JPX NK 225 VI May 23	17.90	-0.40
JPX JGB 10 Year Jun 23	147.68	+0.02
JPX Gold 1 Kg Feb 24	8,682	+170
JPX Platinum Feb 24	4,403	+209
JPX Silver Feb 24	108.3	+4.3
JPX Palladium Feb 24	6,200	+350
JPX TSR20 Jul 23	180.0	+2.0
JPX Corn Mar 24	41,810	+50
JPX Dubai Crude Sep 23	66,740	+2,180

Source: JPX

Technical Analysis on the OSE September-2023 Contract:

OSE's Sep-2023 contracts rose JPY5.2 to close at 209.8. A few buying interests for bargain hunting were observed, though the trading volume fell sharply by 4,630 contracts within a tight trading range. The OI remained above the 14,000 contracts level, signaling that new trading flows keep coming into the market. The support level will be 203.3 and 201.0, and the resistance level will be 216.5 (50-MA) and 220.0 (100-MA). The 14-day RSI is 46.2%. The price will likely move within the 200-220 range in the medium term until an additional catalyst is observed.



Source: Bloomberg

Technical Analysis on the SGX SICOM July-2023 Contract:

SICOM's active month of July-2023 contracts marginally rose 1.2 cents to close at 135.6. The trading volume surged by 14,705 contracts amid several short-covering transactions, and the price moved within a tight range without any clear direction. The futures prices were traded 4 to 5 cents higher than the physical prices. If physical demand remains strong, the futures price will likely return to positive market sentiment in the next few weeks. The support level will be 134.0 and 132.0, and the resistance level will be 137.5 and 140.0. Closing above the 140.0 level may trigger a price rally. The 14-day RSI is currently 48.2%.



Source: Bloomberg

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