

The Japan Rubber Futures Weekly Report:

13 Nov – 17 Nov 2023

Japan: PPI lower +0.8% y/y and -0.4% m/m in Oct, Q3 GDP weaker -0.5% q/q and -2.1% y/y, Trade balance -JPY 662.5B in Oct

Rubber Futures Report:

Global rubber futures closed the week with modest gains across all exchanges. Although trading volume decreased, there were fresh buying flows, leading to increased open interest in all exchanges except for the INE. OSE rubber futures inched up by 0.6% in subdued trading. SHFE and INE futures gained 0.5% and 2.1%, respectively, while SICOM futures added 2.0% due to fresh speculative buying. The firmness in rubber prices can be attributed to rubber consumers' buying and year-end demand, further supported by the onset of the year-end rainy season in some producing countries. Optimism prevails regarding the improved rubber demand in China, driven by expectations of further economic improvement following recent government intervention and rate cuts by the PBOC to support the economy. China's vehicle sales declined by 5,664 units in October due to reduced commercial vehicle demand. During the APEC meeting in San Francisco, President Joe Biden and President Xi Jinping reached agreements on several topics, including fentanyl (drugs), military communications, and artificial intelligence. The APEC sideline meeting was widely perceived as positive and productive. Global equities experienced gains, led by a lower-than-expected US inflation rate of +3.2% in October. The 10-year US treasury yield dropped to 4.439%, and the USD traded lower against major currencies. Crude oil prices declined amid concerns about global demand, reaching a low of \$72.17 per barrel before recovering to close at \$75.86. In the Middle East, there were rocket and missile fires between Iran-backed Hezbollah and Israel in areas near the Lebanese-Israeli border,

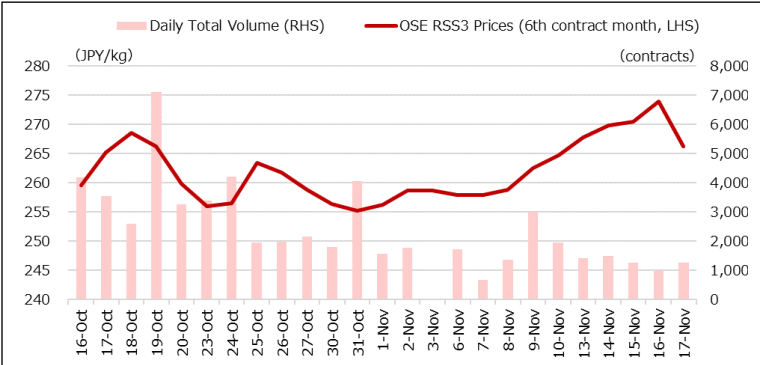
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX JRF	Last (THB)	Net
Nov 23	280.0	+0.0	SCR/RSS Jan 24	14,365	+70	Dec 23	146.6	+0.1	Mar 24	263.6	+1.7
Dec 23	259.6	-8.2	SCR/RSS May 24	14,520	+95	Jan 24	149.2	+2.6	Apr 24	265.7	+1.5
Jan 24	263.0	-1.2	Total Vol.	2,079,180	-211,835	Feb 24	150.2	+2.9	SHFE BR	Last (CNY)	Net
Feb 24	261.7	-0.2	Total OI	283,986	+3,4433	Mar 24	150.8	+3.0	Jan 24	12,435	-15
Mar 24	263.4	+1.2	INE TSR Jan 24	10,915	+230	Apr 24	151.3	+2.9	Feb 24	12,385	+55
Apr 24	266.2	+1.5	INE TSR Feb 24	11,035	+200	May 24	152.2	+3.0	Mar 24	12,365	+105
Total Vol.	6,414	-2,287	Total Vol.	393,406	-96,315	Total Vol.	71,079	-11,209	Total Vol.	343,130	-108,656
Total OI	7,443	+288	Total OI	140,022	-506	Total OI	78,999	+6,295	Total OI	116,815	-2,082

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEEX, ICEX, MCK



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 Oct)	3,948	-483
Shanghai SHFE Rubber Stocks (ton, 17 Nov)	254,504	+3,858
Shanghai INE Rubber Stocks (ton, 17 Nov)	96,284	+6,752
China Vehicle Total Sales (unit, 31 Oct 23)	2,852,570	-5,664
China Passenger Car Sales (unit, 31 Oct 23)	2,487,873	+599
China Commercial Car Sales (unit, 31 Oct 23)	364,697	-6,263
US Unemployment Rate (% Oct 23)	3.9	+0.1
US Non-Farm Payroll (Oct 23)	150,000	-149,000
Japan Unemployment Rate (% Sep)	2.6	-0.1
Japan Manufacturing PMI (Oct)	48.5	+0.0
Japan Tankan Large Manufacturing (3Q 2023)	+9.0	+0.4
China Manufacturing PMI (Oct)	49.5	-0.7
China GDP 3Q 2023 (%)	4.9	-1.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	149.63	-1.89
EUR/USD	1.0915	+0.0229
GBP/USD	1.2462	+0.0235
USD/CHF	0.8857	-0.0170
AUD/USD	0.6515	+0.0154
USD/CNY	7.2143	-0.0712
USD/INR	83.27	-0.0738
USD/SGD	1.3435	-0.0170
USD/MYR	4.6805	-0.0280
USD/THB	35.106	-0.886
USD/IDR	15,492.5	-202.5
USD/VND	24,271.4	-53.6

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	33,585.20	+1,017.09
TOPIX Japan	2,391.05	+54.33
Dow Jones US	34,947.28	+664.18
S&P 500 US	4,514.02	+98.78
Nasdaq US	14,125.48	+327.37
CSI 300 China	3,568.07	-18.42
Shanghai China	3,054.37	+15.40
HSI Hong Kong	17,454.19	+250.93
STI Singapore	3,124.67	+17.99
KLCI Malaysia	1,460.67	+15.49
SET Thailand	1,415.78	+26.21
IDX Indonesia	6,977.67	+169.41
VSE Vietnam	1,101.19	-0.49

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 23	33,600	+1,020
JPX TOPIX Dec 23	2,395.5	+58.5
JPX NK 400 Dec 23	21,610	+580
JPX TSE REIT Dec 23	1,831.0	+23.0
JPX NK 225 VI Dec 23	19.00	-0.55
JPX JGB 10 Year Dec 23	145.73	+1.19
JPX Gold 1 Kg Oct 24	9,604	+85
JPX Platinum Oct 24	4,286	+134
JPX Silver Oct 24	115.3	+4.8
JPX Palladium Oct 24	4,900	-200
JPX TSR20 Feb 24	227.0	+7.0
JPX Corn Nov 24	39,320	+100
JPX Dubai Crude Apr 24	71,130	-2,070

Source: JPX

Technical Analysis on the OSE Apr-2024 Contract:

OSE's new active Apr-2024 contract gained JPY 1.5, closing at 266.2 amidst subdued trading. The trading volume remained light throughout the week, totaling 6,414 lots, and open interest slightly increased by 288 lots with fresh buying. The prices continued to trade sideways within a narrow range of 260.0-269.0. Anticipated support levels are 260.0 and 257.0, while the resistance levels are 269.0 and 272.0. The JPY experienced a sudden strengthening on Friday, potentially exerting pressure on OSE rubber prices. The 14-day RSI stands at 59.8%, approaching its neutral level at 50%.



Source: Bloomberg

Technical Analysis on the SGX SICOM Feb-2024 Contract:

SICOM's active Feb-2024 contract exhibited strength, closing 2.9 cents higher at 150.2, accompanied by decent trading volume, despite a one-day public holiday. The decisive closing above 150.0 on Friday signals a potential further upside. Open interest increased by 6,295 lots, indicating a bullish signal backed by strong buying flows. Anticipated support levels are 149.0 and 147.0, and resistance levels are 153.0 and 155.0. Positive market sentiment prevails, and while profit-taking may occur around 154-155 levels, the 14-day RSI at 60.4% suggests further potential upside.



Source: Bloomberg

Contact us

Kensuke Yazu

Derivatives Business Development
Osaka Exchange, Inc.

Tel: +81 (0) 50 3377 8645

Email: deri-w1@jpx.co.jp

Disclaimer

The copyrights for this document belong to Japan Exchange Group ("JPX"), and part or all of this document shall not be reproduced, republished, uploaded, linked, posted, transmitted, adapted, copied, translated, modified, edited, or otherwise displayed or distributed in any manner without JPX's prior consent.

This document is not an offer or solicitation to buy or sell, nor financial advice or recommendation for any investment product. This document is for the general circulation of the overview of JPX's futures markets only. It does not address any person's specific investment objectives, financial situation, or particular needs. Advice should be sought from a financial adviser regarding the suitability of any investment product before investing or adopting any investment strategies. Use of and/or reliance on this document is entirely at the reader's own risk. Investment products are subject to significant investment risks, including the possible loss of the principal amount invested. The past performance of investment products is not indicative of their future performance. The examples provided are for illustrative purposes only.

A designated person/company has compiled the information contained in this document from sources believed to be reliable. Still, no representation or warranty, express or implied, is made by JPX and the person/company as to its fairness, accuracy, completeness, or correctness. JPX shall not be responsible or liable, whether, under contract, tort including negligence or otherwise, for any loss or damage of any kind, whether direct, indirect, or consequential losses or other economic loss of any kind, including without limitation loss of profit, loss of reputation and loss of opportunity suffered or incurred by any person due to any omission, error, inaccuracy, incompleteness, or otherwise, any reliance on such information, or arising from and/or in connection with this document.