

The Japan Rubber Futures Weekly Report:

16 Jan 2023 – 20 Jan 2023

Note: Japan Dec PPI higher at 10.2% Year on Year, BOJ kept Monetary Policy unchanged at -0.10%

Rubber Futures Report:

World rubber futures closed higher across all major rubber exchanges from the previous week. There were active buying trading flows and short-covering led by the Chinese markets ahead of the Lunar New Year holidays. OSE rubber futures rose 2%, SHFE and INE futures added 2% and 4.5%, respectively, and SICOM futures grew 4.3% with active transactions backed by new buying flows. On Tuesday, China's 4Q GDP recorded a 2.9% growth from a year earlier. Although the number was sluggish, there remained strong perceptions of the economic recovery after China abandoned its zero COVID policy and relaxed the border restriction. The Chinese government also mentioned that the worst phase was over in its battle against COVID-19. These optimistic expectations have pushed the Chinese stock market to rally sharply in the past three weeks. Market players also moved to buy rubber futures with the speculative expectation of the recovery of rubber demand. In other news, the BOJ kept its monetary policy unchanged on Jan. 18th, causing the short-term rally of USD/JPY. The SHFE and INE markets will be closed for the entire week and will resume on Jan. 30th, and the SICOM market will be closed on Mondays and Tuesdays and resume trading on Wednesday. Note that Japan's rubber market will open as usual.

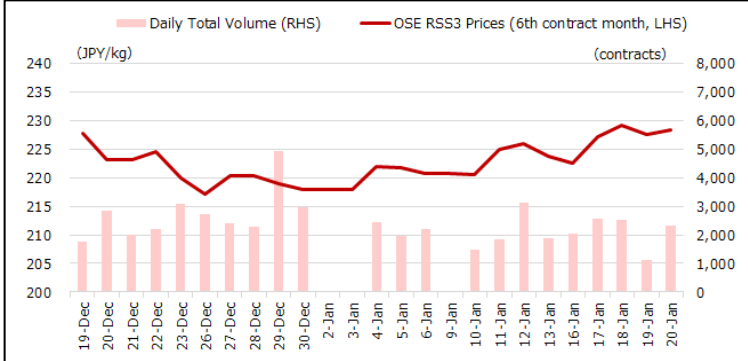
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (US\$)	Net	TFEX	Last (THB)	Net
Jan 23	217.2	+12.2	SCR/RSS May23	13,265	+250	Feb 23	142.1	+5.3	RSS3 May 23	55.60	+0.65
Feb 23	213.2	+4.1	SCR/RSS Sep23	13,035	+215	Mar 23	145.1	+6.2	RSS3 Jun 23	55.75	+0.60
Mar 23	216.7	+1.6	Total Vol.	1,645,624	+54,463	Apr 23	145.8	+6.0	JRF May 23	227.0	+3.8
Apr 23	221.6	+0.8	Total OI	290,596	-13,468	May 23	146.3	+5.6	JRF Jun 23	228.6	+3.1
May 23	226.3	+2.6	INE TSR Mar 23	10,140	+435	Jun 23	146.8	+5.0	ICEX	Last (INR)	Net
Jun 23	228.3	+4.6	INE TSR Apr 23	10,180	+430	Jul 23	147.4	+5.0	RSS4 Jan 23	Untraded	0
Total Vol.	10,552	+2,227	Total Vol.	364,670	+53,695	Total Vol.	54,057	+11,504	MCX	Last (INR)	Net
Total OI	12,332	-319	Total OI	94,048	-5,348	Total OI	56,106	+1,689	RSS4 Jan 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, 10 Jan)	5,191	+24
Shanghai SHFE Rubber Stocks (ton, 20 Jan)	191,854	+1,650
Shanghai INE Rubber Stocks (ton, 20 Jan)	37,729	+1,814
China Vehicle Total Sales (unit, 31 Dec 22)	2,556,244	+228,523
China Passenger Car Sales (unit, 31 Dec 22)	2,265,024	+190,208
China Commercial Car Sales (unit, 31 Dec 22)	291,220	+38315
US Unemployment Rate (% Dec)	3.5	-0.2
US Non-Farm Payroll (Dec)	223,000	-33,000
Japan Unemployment Rate (% Nov)	2.5	-0.1
Japan Manufacturing PMI (Dec)	48.9	-0.5
Japan Tankan Large Manufacturing (4Q)	7	-1
China Manufacturing PMI (Dec)	47.0	-3.1
China GDP 3Q (%)	+3.9	+3.5

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	129.60	+1.73
EUR/USD	1.0856	+0.0026
GBP/USD	1.2397	+0.0170
USD/CHF	0.9206	-0.0063
AUD/USD	0.6963	-0.0005
USD/CNY	6.7927	+0.0917
USD/INR	81.125	-0.21
USD/SGD	1.3193	+0.0005
USD/MYR	4.2852	-0.0498
USD/THB	32.692	-0.183
USD/IDR	15,075	-74
USD/VND	23,444	+3

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	26,553.53	+434.01
TOPIX Japan	1,926.87	+23.79
Dow Jones US	33,375.49	-927.12
S&P 500 US	3,972.61	-26.48
Nasdaq US	11,140.43	+61.27
CSI 300 China	4,181.53	+107.15
Shanghai China	3,264.81	+69.50
HSI Hong Kong	22,044.65	+305.99
STI Singapore	3,293.71	-0.04
KLCI Malaysia	1,500.33	+5.3
SET Thailand	1,677.25	-4.48
IDX Indonesia	6,874.93	+233.10
VSE Vietnam	1,108.08	+47.91

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Mar 23	26,530	+450
JPX TOPIX Mar 23	1,925.5	+24.0
JPX NK 400 Mar 23	17,370	+190
JPX TSE REIT Mar 23	1,782.5	+65.0
JPX NK 225 VI Feb 23	18.70	-0.50
JPX JGB 10 Year Mar 23	147.00	+2.59
JPX Gold 1 Kg Dec 23	7,980	+127
JPX Platinum Dec 23	4,262	-77
JPX Silver Dec 23	97.3	-0.3
JPX Palladium Dec 23	7,400	-300
JPX TSR20 Apr 23	185.0	+5.0
JPX Corn Jan 23	43,870	+410
JPX Dubai Crude Jun 23	64,620	+2,530

Source: JPX

Technical Analysis on the OSE June 2023 Contracts:

OSE's June-2023 contracts closed JPY4.6 higher from the previous week at JPY228.3 with moderately active transactions. The open interest fell 319 lots amid light profit-taking trading. The price remained below the strong resistance level of 230.0, and closing above 230.0 is required for further rally expectations. The support level will be 223.0 and 220.0, while the resistance level will be 230.0, followed by 233.2. Market sentiment seems stable with potential upside expectations. The 14-day RSI is 60%, and the price will likely trade side-way next week as the Chinese market will be closed this entire week for the Lunar New Year.



Source: Bloomberg

Technical Analysis on the SGX SICOM April 2023 Contracts:

April-2023 contracts added 6.0 cents this week with active transactions. The weekly trading volume recorded 54,000 contracts, and the open interest increased, reflecting new buying trading flows. The price began to rally after breaking the 141/142 level and touched a high of 149.7 but was pushed down to the 144.0 level with light profit-taking selloffs on Tuesday. The 14-day RSI was above 70% when the price touched 149.0, indicating overbought market conditions. The support level will be 144.0 and 141.5, and the resistance level will be 149 to 150. The SICOM market will be closed on Monday and Tuesday for the Lunar New Year.



Source: Bloomberg

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