

The Japan Rubber Futures Weekly Report:

23 Oct – 27 Oct 2023

Japan: Manufacturing PMI lower at 48.5 in Oct, Services PMI lower at 51.1 in Oct, Core CPI higher 3.4% Y/Y in Oct

Rubber Futures Report:

World rubber futures closed the week lower across all major exchanges. The recent bullish market sentiment didn't encourage continued buying, and speculative selling and profit-taking emerged. In China, some funds shifted from commodities to equities, anticipating an economic recovery in the coming year. OSE rubber futures rose 1.0%, albeit in light trading. SHFE and INE futures saw a 0.3% and 1.7% decline, respectively, while SICOM rubber marginally decreased, mainly led by long liquidation. Rubber futures prices have moved from overbought conditions to a more neutral level, leading to price consolidation periods. Official warehouse rubber stocks increased at SHFE and INE, with producers capitalizing on the recent rally to sell and deliver physical rubber, resulting in a 4,123-ton rise at SHFE and a 3,448-ton increase at INE. In other news related to the rubber industry, Japanese automaker Honda and US automaker GM have scrapped their \$5.0 billion plan to develop more affordable electric vehicles (EVs) jointly. Meanwhile, in China, Shanghai-based EV automaker WM Motors has filed for bankruptcy due to weak domestic demand and intense competition. Global equities faced downward pressure across most markets, with exceptions in China and Hong Kong, whereas the US Bond yield hovered around 4.85%. Simultaneously, the escalation of the conflict in the Middle East propelled the price of gold above \$2,000 per ounce. The US dollar also showed strength against major currencies, with USD/JPY surging to a high of 150.79 after breaching the 150.00 threshold, although it closed in New York at 149.66 this week.

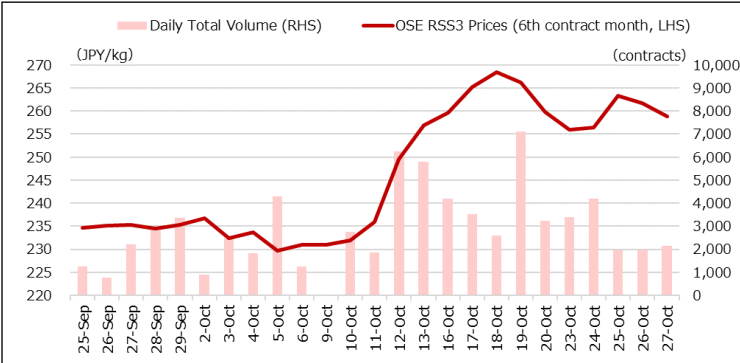
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX JRF	Last (THB)	Net
Nov 23	252.4	-9.0	SCR/RSS Jan 24	14,515	-45	Nov 23	145.1	+0.5	Mar 24	256.0	-2.4
Dec 23	247.0	-10.5	SCR/RSS May 24	14,465	+0	Dec 23	144.8	-0.4	Apr 24	257.8	New
Jan 24	249.3	-7.1	Total Vol.	2,464,390	-263,656	Jan 24	145.6	-0.5	SHFE BR	Last (CNY)	Net
Feb 24	252.6	-4.3	Total OI	275,256	+5,823	Feb 24	145.8	-0.8	Jan 24	12,970	+100
Mar 24	256.0	-3.8	INE TSR Dec 23	10,915	-190	Mar 24	145.9	-1.7	Feb 24	12,825	+190
Apr 24	258.8	-2.8	INE TSR Jan 24	10,995	-140	Apr 24	146.2	-1.4	Mar 24	12,745	+215
Total Vol.	13,659	-6,986	Total Vol.	803,157	+52,811	Total Vol.	57,038	-803	Total Vol.	662,132	-44,684
Total OI	7,035	-356	Total OI	143,684	-3,032	Total OI	68,593	-1,747	Total OI	116,610	-35,113

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCK



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 10 Oct)	5,235	-1,293
Shanghai SHFE Rubber Stocks (ton, 27 Oct)	250,268	+4,123
Shanghai INE Rubber Stocks (ton, 27 Oct)	79,552	+3,448
China Vehicle Total Sales (unit, 30 Sept 23)	2,858,234	+275,833
China Passenger Car Sales (unit, 30 Sept 23)	2,487,274	+214,492
China Commercial Car Sales (unit, 30 Sept 23)	370,960	+61,341
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 (Oct)	48.5	+0.0
Japan Tankan Large Manufacturing (3Q 2023)	+9.0	+0.4
China Manufacturing PMI (Aug)	49.7	+0.4
China GDP 3Q 2023 (%)	4.9	-1.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	149.66	-0.20
EUR/USD	1.0565	-0.0029
GBP/USD	1.2122	-0.0042
USD/CHF	0.9023	+0.0102
AUD/USD	0.6335	+0.0021
USD/CNY	7.3173	+0.0022
USD/INR	83.245	+0.1238
USD/SGD	1.3698	-0.0027
USD/MYR	4.7775	+0.0098
USD/THB	36.097	-0.402
USD/IDR	15,938.5	+66.0
USD/VND	24,572	+29

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	30,991.69	-267.67
TOPIX Japan	2,254.65	-1.00
Dow Jones US	32,417.59	-709.69
S&P 500 US	4,117.37	-106.79
Nasdaq US	12,643.01	-340.80
CSI 300 China	3,562.39	+51.80
Shanghai China	3,017.78	+34.72
HSI Hong Kong	17,398.73	+226.60
STI Singapore	3,061.85	-14.84
KLCI Malaysia	1,441.90	+0.86
SET Thailand	1,388.23	-11.12
IDX Indonesia	6,758.79	-90.38
VSE Vietnam	1,060.62	-47.41

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 23	31,040	-180
JPX TOPIX Dec 23	2,256.0	+5.0
JPX NK 400 Dec 23	20,275	+5
JPX TSE REIT Dec 23	1,835.5	+22.0
JPX NK 225 VI Nov 23	22.45	-0.20
JPX JGB 10 Year Dec 23	144.42	-0.22
JPX Gold 1 Kg Aug 24	9,593	+67
JPX Platinum Aug 24	4,354	+93
JPX Silver Aug 24	112.7	+1.2
JPX Palladium Aug 24	5,400	+0
JPX TSR20 Jan 24	220.0	+0.0
JPX Corn Nov 24	39,400	-1,500
JPX Dubai Crude Mar 24	79,270	-1,850

Source: JPX

Technical Analysis on the OSE Apr-2024 Contract:

OSE's new active Apr-2024 futures closed the week lower by JPY 2.8 at 258.8 in quiet trading. Trading volume decreased as trading activities slowed, and open interest dropped to its lowest level since 1969 due to accelerated position liquidation. The market was significantly overbought two weeks ago, but the 14-day RSI now stands at 61.4%. The prices are expected to consolidate sideways in the coming weeks. Key support levels are at 254.0 and 251.0, while resistance levels are at 262.0 and 265.0.



Source: Bloomberg

Technical Analysis on the SGX SICOM Jan-2024 Contract:

SICOM's active Jan-2024 contract slightly declined this week, closing -0.5 cents at 145.6 in active trading. Prices failed to sustain the recent rally, leading to long liquidation and a decrease of 1,747 lots in open interest. The previously overbought market has now cooled to a more neutral condition, as indicated by the 14-day RSI at 51.5%. This opens the door to various potential price directions. Anticipated support levels are at 145.0 and 142.0, while resistance levels are at 150.0-152.0. The market is expected to trade sideways over the next few weeks before a clearer direction emerges.



Source: Bloomberg

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