

The Japan Rubber Futures Weekly Report:

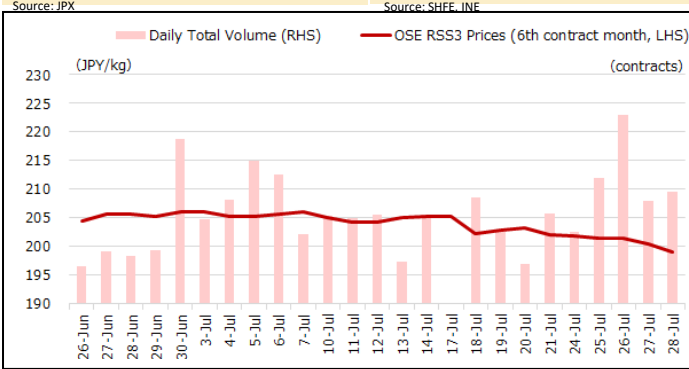
24 July 2023 – 28 July 2023

Japan: Japan's Manufacturing PMI lower at 49.4 in July, Services PMI at 53.9 in July, CPI Tokyo higher at 3.2% in July

Rubber Futures Report:

World rubber futures closed the week with mixed results, exhibiting uncertain direction as prices struggled at their recent lows. OSE rubber futures broke its crucial support level of JPY 200 and traded at its nearly 2-year low, with an increase in trading volume. SHFE rubber saw marginal gains, while INE TSR closed 2.1% higher, driven by short-covering trading. SICOM rubber grew by 3%, led by arbitrage and new buying activities. The weak rubber demand in China and a high unofficial rubber inventory, estimated at more than 900,000 tonnes, have put rubber prices under pressure. In related news, Laos and Vietnam signed an MOU to boost rubber quality and sustainable development. Laos exports 85% of its produced rubber to Vietnam and China. SHFE launched Synthetic BR rubber futures and options on Friday, and the first-day volume recorded 92,411 contracts with an OI of 20,861. In other news, Japan's CPI recorded 3.2% in July, and on Friday, the BOJ announced modifications to its yield curve control, allowing much more flexibility to the 10-year interest rate, with a new ceiling set at 1%. The US Fed raised its policy rate by 25 bps on Wednesday, as widely anticipated. Chairman Powell stated that future rate hikes would depend on data and conditions. As a result, US and global stock indices rallied, with many traders anticipating the end of the global tightening rates cycle and expecting inflation to cool off. The Gapkindo annual rubber dinner is scheduled on 25 Aug in Jakarta.

OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Aug 23	198.3	-2.1	SCR/RSS Sep 23	12,190	+65	Aug 23	131.1	+3.3	RSS3 Nov 23	51.95	+1.0
Sep 23	199.0	-1.1	SCR/RSS Jan 24	13,135	+55	Sep 23	130.6	+3.3	RSS3 Dec 23	52.10	+0.95
Oct 23	200.5	-1.0	Total Vol.	1,517,199	-165,626	Oct 23	130.5	+3.7	JRF Nov 23	199.2	-3.7
Nov 23	199.2	-2.6	Total OI	319,693	-3,589	Nov 23	130.5	+3.7	JRF Dec 23	199.3	-3.5
Dec 23	199.2	-2.8	INE TSR Sep 23	9,510	+195	Dec 23	131.0	+4.0	ICEX	Last (INR)	Net
Jan 24	199.1	-3.6	INE TSR Oct 23	9,525	+190	Jan 24	131.5	+4.1	RSS4 Sep 23	Untraded	+0
Total Vol.	21,033	+10,278	Total Vol.	442,280	+46,745	Total Vol.	52,324	+5,538	MCX	Last (INR)	Net
Total OI	16,498	+2,053	Total OI	99,140	-8,360	Total OI	67,878	+1,962	RSS4 Sep 23	Untraded	+0



Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 July)	11,302	-446
Shanghai SHFE Rubber Stocks (ton, 28 July)	189,668	+3,348
Shanghai INE Rubber Stocks (ton, 28 July)	73,785	+403
China Vehicle Total Sales (unit, 30 June 23)	2,622,392	+240,778
China Passenger Car Sales (unit, 30 June 23)	2,267,821	+216,698
China Commercial Car Sales (unit, 30 June 23)	354,571	+24,080
US Unemployment Rate (% June 23)	3.6	-0.1
US Non-Farm Payroll (June 23)	209,000	-16,000
Japan Unemployment Rate (% June)	2.6	+0.0
Japan Manufacturing PMI (July)	49.4	-1.4
Japan Tankan Large Manufacturing (2Q 23)	+5.0	+0.4
China Manufacturing PMI (May)	49.8	-1.0
China GDP 4Q (%)	+2.9	-1.0

FOREX	Last	Net
USD/JPY	141.16	-0.57
EUR/USD	1.1016	-0.0108
GBP/USD	1.2851	-0.0003
USD/CHF	0.8698	+0.0040
AUD/USD	0.6650	-0.0079
USD/CNY	7.1485	-0.0395
USD/INR	82.2563	+0.2988
USD/SGD	1.3316	+0.0009
USD/MYR	4.5550	-0.0077
USD/THB	34.243	-0.189
USD/IDR	15,105	+78
USD/VND	23,692	+36

Stock Index	Last	Net
NK225 Japan	32,759.23	+444.73
TOPIX Japan	2,290.61	+28.41
Dow Jones US	35,459.29	+231.60
S&P 500 US	4,582.23	+45.89
Nasdaq US	14,316.66	+283.86
CSI 300 China	3,992.74	+170.83
Shanghai China	3,275.93	+108.18
HSI Hong Kong	19,916.56	+840.56
STI Singapore	3,371.17	+99.77
KLCI Malaysia	1,450.35	+36.83
SET Thailand	1,543.27	+14.02
IDX Indonesia	6,900.23	+19.43
VSE Vietnam	1,207.67	+21.77

JPX Derivatives	Last	Net
JPX NK225 Sep 23	32,770	+500
JPX TOPIX Sep 23	2,290.5	+32.0
JPX NK 400 Sep 23	20,740	+245
JPX TSE REIT Sep 23	1,877.5	+22.5
JPX NK 225 VI Aug 23	18.10	-1.00
JPX JGB 10 Year Sep 23	147.38	-0.4
JPX Gold 1 Kg June 24	8,725	-149
JPX Platinum June 24	4,179	-109
JPX Silver June 24	107.9	-3.4
JPX Palladium June 24	5,800	+0
JPX TSR20 Oct 23	181.3	+3.3
JPX Corn July 24	40,410	-880
JPX Dubai Crude Dec 23	69,510	+2,010

Technical Analysis on the OSE Dec-2023 Contract:

OSE's active Dec-2023 contract slipped 2.8 to reach 199.2 in active trading. The price broke a critical support level at 200.0, leading to strong and renewed speculative selling across the market. The trading volume doubled from the previous week to 21,033 contracts, and the open interest increased by 2,053 contracts to 16,498. The 14-day RSI is at 27.8%, indicating an oversold condition and the possibility of a rebound though the market sentiment remains bearish. The support levels are projected at 195.5 and 192.0, while the resistance levels are identified at 205.6 and 207.7.

Technical Analysis on the SGX SICOM Oct-2023 Contract:

SICOM's Oct-2023 contract gained 3.7 cents to reach 130.5 in active trading. The trading volume added 5,538 contracts from the previous week, and the open interest increased by 1,962 contracts, driven by new buying flows. Active arbitrage transactions were observed against INE TSR20 futures, whose prices hit a recent low. The support levels will be 127.0 and 125.0, while the resistance levels will be 131.0 and 134.0. The 14-day RSI rallied from a slightly oversold condition to 53.3%. Although the market sentiment remains bearish, closing above 135.0 could signal a change in market sentiment.



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