

The Japan Rubber Futures Weekly Report:

01-05 Jan 2024

Japan: Manufacturing PMI higher 47.9, Services PMI 51.5 in December, Household Confidence higher at 37.2 in December

Rubber Futures Report:

Global rubber futures concluded the week with a slight downturn across most major exchanges. While Japan's OSE rubber experienced a marginal uptick, other rubber exchanges reported lower closing prices from the previous week. Market concerns stem from uncertainties regarding the Chinese economy, which is grappling with ongoing challenges in its recovery, coupled with signs of weakening economic data. China's PMI for December came in at 49.0, lower than market expectations. Additionally, Beijing-based Zhongzhi Enterprise Group, a major wealth management firm, filed for bankruptcy due to substantial exposure to the property market. Zhongzhi's estimated debt was RMB 460 billion (equivalent to USD 64.3 billion). This negative economic news will likely have a shade impact on rubber prices. In other news, Malaysia's Minister of Plantation, Mr. Johari, stated that Malaysia is facing a severe labor shortage, requiring 80,000 workers for its 420,000 hectares of rubber plantation. The U.S. public debt has reached a record high of USD 34 trillion, signaling that Congress will face challenges in securing additional funding. The U.S. December unemployment rate remained unchanged at 3.7%, while the non-farm payroll showed stronger figures at 216,000, fuelling analysts' expectations that the Fed might defer the anticipated first rate cut this year. The 10-year treasury yield closed above 4.0%, resulting in a stronger dollar against most major currencies. USD/JPY closed firmly at 144.63, driven by carry trade activities linked to yield differential buying.

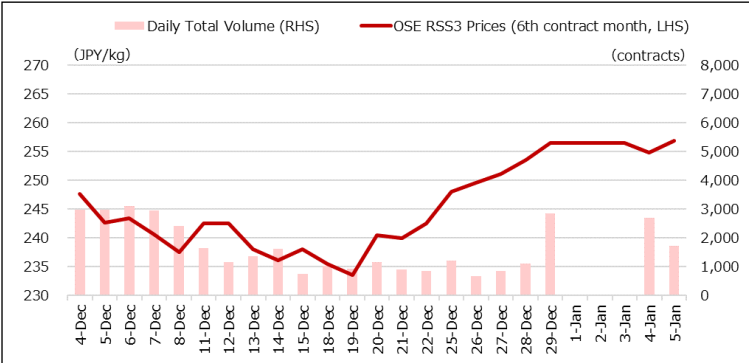
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX JRF	Last (THB)	Net
Jan 24	241.9	-1.6	SCR/RSS Mar 24	13,790	-210	Feb 24	152.8	-2.0	May 24	254.4	+4.4
Feb 24	244.2	-0.8	SCR/RSS May 24	13,875	-225	Mar 24	152.9	-1.3	Jun 24	256.4	+3.6
Mar 24	247.7	-1.3	Total Vol.	941,028	-371,799	Apr 24	152.7	-1.6	SHFE BR	Last (CNY)	Net
Apr 24	251.5	-0.5	Total OI	227,028	-817	May 24	153.3	-1.5	Feb 24	12,430	-250
May 24	254.7	+1.3	INE TSR Feb 24	11,055	-25	Jun 24	153.4	-1.7	Mar 24	12,470	-260
Jun 24	256.9	+0.4	INE TSR Mar 24	11,130	-45	July 24	153.9	-1.5	Apr 24	12,495	-260
Total Vol.	4,433	-2,278	Total Vol.	229,012	-255,631	Total Vol.	54,675	-6,277	Total Vol.	174,876	-348,876
Total OI	5,424	-243	Total OI	93,367	-4,247	Total OI	79,973	+7,832	Total OI	37,520	-17,136

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCK



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 Dec)	5,199	+1,483
Shanghai SHFE Rubber Stocks (ton, 05 Jan)	191,014	+1,063
Shanghai INE Rubber Stocks (ton, 05 Jan)	116,223	-10,100
China Vehicle Total Sales (unit, 30 Nov 23)	2,970,122	+117,552
China Passenger Car Sales (unit, 30 Nov 23)	2,604,370	+116,497
China Commercial Car Sales (unit, 30 Nov 23)	365,752	+1,055
US Unemployment Rate (% Dec 23)	3.7	0
US Non-Farm Payroll (Dec 23)	216,000	+43,000
Japan Unemployment Rate (% Oct)	2.5	-0.1
Japan Manufacturing PMI (Dec)	47.9	+0.2
Japan Tankan Large Manufacturing (4Q 2023)	+12.0	+0.3
China Manufacturing PMI (Dec)	49.0	-0.4
China GDP 3Q 2023 (%)	4.9	-1.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	144.63	+3.59
EUR/USD	1.0943	-0.0096
GBP/USD	1.2720	-0.0011
USD/CHF	0.8500	+0.0086
AUD/USD	0.6713	-0.0099
USD/CNY	7.1471	+0.0471
USD/INR	83.1625	-0.0463
USD/SGD	1.3296	+0.0093
USD/MYR	4.6553	+0.0613
USD/THB	34.691	+0.435
USD/IDR	15,516	+117
USD/VND	24,382.5	+114

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	33,377.42	-86.75
TOPIX Japan	2,393.54	+27.15
Dow Jones US	37,466.11	-223.43
S&P 500 US	4,797.24	-72.59
Nasdaq US	14,524.07	-487.28
CSI 300 China	3,329.11	-102
Shanghai China	2,929.18	-45.76
HSI Hong Kong	16,535.33	-512.06
STI Singapore	3,184.30	-55.97
KLCI Malaysia	1,487.61	+32.95
SET Thailand	1,427.96	+12.11
IDX Indonesia	7,350.62	+77.82
VSE Vietnam	1,154.68	+24.75

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Mar 24	33,320	-130
JPX TOPIX Mar 24	2,391.5	+25.5
JPX NK 400 Mar 24	21,580	+200
JPX TSE REIT Mar 24	1,804.0	+16.0
JPX NK 225 VI Jan 24	18.40	-0.55
JPX JGB 10 Year Mar 24	146.94	+0.23
JPX Gold 1 Kg Dec 24	9,522	+100
JPX Platinum Dec 24	4,370	-138
JPX Silver Dec 24	108.5	-5.8
JPX Palladium Dec 24	5,000	-300
JPX TSR20 Apr 24	222.0	+3.0
JPX Corn Jan 25	37,110	+210
JPX Dubai Crude May 24	68,490	+2,050

Source: JPX

Technical Analysis on the OSE June-2024 Contract:

OSE's June-2024 contract closed with minimal change, up JPY 0.4 at 256.9 amid a 3-day New Year holiday. Weekly trading volume sharply decreased to 4,433 lots, and there was some light position liquidation as open interest dropped by 243 lots. Prices showed little movement, reflected in the 14-day RSI at 60.1%. Support levels remain at 248.0-250.0, with anticipated resistance levels at 259.0-260.0. The market lacks significant positive catalysts, potentially exerting downward pressure on prices.



Source: Bloomberg

Technical Analysis on the SGX SICOM April-2024 Contract:

SICOM's active April-2024 contract fell 1%, closing at 152.7 in active trading amid the market closed for a New Year holiday. The weekly trading volume dropped to 54,675 lots while new open positions were established, resulting in a rise in open interest by 8,232 lots. The recent rally appears to have lost momentum, and prices are expected to undergo further retracement. Anticipated support levels are at 150.0-148.0, with a solid critical level at 145.0. Resistance levels are identified at 156.0 and 158.0. The 14-day RSI remains relatively unchanged at 60.9%.



Source: Bloomberg

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