



The Japan Rubber Futures Weekly Report:

04 Mar – 08 Mar 2024

Japan: Q4 Capital Spending +16.4% y/y, Tokyo Core CPI +2.5% in Feb, Services PMI higher 52.9 in Feb, FX Reserves USD 1,281.5B in Feb

Rubber Futures Report:

Global rubber futures closed the week with mostly higher prices across major exchanges, driven by late Friday rallies fuelled by trading from Chinese speculative funds anticipating China's positive economic data. OSE rubber surged by 4%, SHFE rose 0.6% amid active trading, and SICOM rubber prices closed 1.7% higher. In contrast, INE rubber closed marginally lower. Stronger buying interest was observed in the RSS3 market than in the TSR20 market. Concerns regarding the wintering season and lower production in Thailand continued to influence market sentiment, potentially pushing rubber prices higher. China reported that its February CPI rose by 0.7%, beating market expectations of 0.3%. This marks the first rise since August 2023, signaling some positive signs of economic recovery. In rubber news, China's Shouguang Firemax Tyre has announced plans to construct a tire manufacturing plant in Cambodia. Goodyear is set to close its plant in Selangor, Malaysia, as part of its global cost-cutting measures aimed at saving USD 1 billion by 2025. The closure is expected to affect 550 employees in Malaysia. In financial news, Japan's Tokyo February CPI rose by 2.2% y/y, reigniting talks of the BOJ ending its negative interest rate policy. The USD/JPY fell sharply by 3.06 to close at 147.06. In the US, the February unemployment rate rose by 0.2 percentage points to 3.9%; however, the non-farm payroll showed stronger growth with 275,000 new jobs. During his semi-annual two-day testimony to Congress, Fed Chairman Powell signaled a potential interest rate cut ahead. The USD weakened against major currencies as the 10-year treasury yield fell to 4.077%.

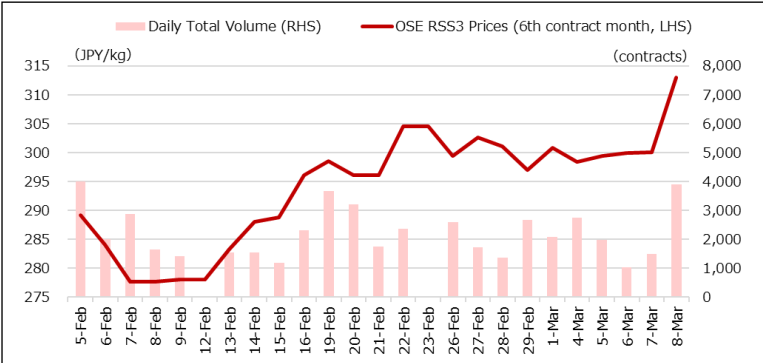
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFXE JRF	Last (THB)	Net
Mar 24	313.0	+13.0	SCR/RSS May 24	13,985	+90	Apr 24	163.9	+1.9	July 24	320.4	+20.2
Apr 24	313.8	+12.4	SCR/RSS Sep 24	14,100	+90	May 24	164.8	+2.8	Aug 24	319.3	+18.9
May 24	314.2	+14.2	Total Vol.	1,282,662	+156,185	Jun 24	164.7	+2.8	SHFE BR	Last (CNY)	Net
Jun 24	314.0	+12.9	Total OI	247,499	+28,116	Jul 24	164.8	+2.8	Apr 24	13,250	+0
Jul 24	313.6	+13.0	INE TSR Apr 24	11,645	-40	Aug 24	165.1	+2.9	May 24	13,255	+0
Aug 24	313.0	+12.2	INE TSR May 24	11,730	-15	Sep 24	165.3	+3.1	Jun 24	13,205	+35
Total Vol.	11,124	+763	Total Vol.	462,248	-43,715	Total Vol.	65,402	-10,884	Total Vol.	128,247	-104,153
Total OI	9,368	-441	Total OI	122,646	-4,896	Total OI	79,528	-748	Total OI	32,975	-61

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFXE, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 29 Feb)	8,253	+558
Shanghai SHFE Rubber Stocks (ton, 08 Mar)	215,333	+899
Shanghai INE Rubber Stocks (ton, 08 Mar)	118,339	+3,427
China Vehicle Total Sales (unit, 31 Jan 2024)	2,439,344	-717,023
China Passenger Car Sales (unit, 31 Jan 2024)	2,115,435	-676,570
China Commercial Car Sales (unit, 31 Jan 2024)	323,909	-40,453
US Unemployment Rate (% Feb 24)	3.9	+0.2
US Non-Farm Payroll (Feb 24)	275,000	+46,000
Japan Unemployment Rate (% Jan 24)	2.4	+0.0
Japan Manufacturing PMI (Feb)	47.2	-0.8
Japan Tankan Large Manufacturing (4Q 2023)	+12.0	+0.3
China Manufacturing PMI (Dec)	49.0	-0.4
China GDP 4Q 2023 (%)	5.2	+0.3

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	147.06	-3.06
EUR/USD	1.0939	+0.0102
GBP/USD	1.2858	+0.0203
USD/CHF	0.8771	-0.0063
AUD/USD	0.6624	+0.0097
USD/CNY	7.1873	-0.0095
USD/INR	82.7875	-0.1213
USD/SGD	1.3311	-0.0128
USD/MYR	4.6835	-0.0625
USD/THB	35.374	-0.478
USD/IDR	15,590	-114
USD/VND	24,655	+18

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	39,688.94	-221.88
TOPIX Japan	2,726.80	+17.38
Dow Jones US	38,722.69	-364.69
S&P 500 US	5,123.69	-13.39
Nasdaq US	16,085.11	-189.83
CSI 300 China	3,544.91	+7.11
Shanghai China	3,046.02	+19.0
HSI Hong Kong	16,353.39	-236.05
STI Singapore	3,147.09	+11.33
KLCI Malaysia	1,539.86	+1.84
SET Thailand	1,386.42	+19.0
IDX Indonesia	7,381.91	+70.0
VSE Vietnam	1,247.35	-10.93

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 24	39,510	-230
JPX TOPIX Jun 24	2,706.5	+20.0
JPX NK 400 Jun 24	24,470	+95
JPX TSE REIT Jun 24	1,669.5	-7.5
JPX NK 225 VI Mar 24	21.00	+0.40
JPX JGB 10 Year Mar 24	146.25	-0.07
JPX Gold 1 Kg Feb 25	10,264	+369
JPX Platinum Feb 25	4,356	+68
JPX Silver Feb 25	117.0	+6.3
JPX Palladium Feb 25	4,900	+400
JPX TSR20 June 24	237.0	-6.0
JPX Corn Mar 25	36,850	-40
JPX Dubai Crude July24	73,200	-200

Source: JPX

Technical Analysis on the OSE August-2024 Contract:

OSE's Aug-2024 contract rose by JPY 12.2 to reach 313.0 in moderately active trading. Despite the increase in trading volume by 763 lots, open interest slightly decreased due to short covering. Prices broke through key resistance levels at 305.0 and 308.0, reaching new highs. The bullish market sentiment remained in the market, driven by strong buying activity supported by the Chinese SHFE markets. The 14-day RSI indicates an overbought condition at 75.9%. Anticipated support levels are at 308.0 and 300.0, while resistance levels are at 315.0 and 320.0.



Source: Bloomberg

Technical Analysis on the SGX SICOM June-2024 Contract:

SICOM's active June futures increased by 2.8 cents, closing at 164.7 in moderately active trading. Prices rallied late Friday, fueled by speculative solid buying and short covering. Open interest fell by 748 lots as short positions were covered. Market sentiment remains firm and bullish. Anticipated support levels are at 159.0, and a close below this level may reverse the current bullish sentiment. Resistance levels are at 164.0-165.0. The 14-day RSI stands at 68.9%, nearing the overbought position. The strong Friday closing suggests that prices may continue to move higher in the near future.



Source: Bloomberg

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