

# The Japan Rubber Futures Weekly Report:

## 06 May – 10 May 2024

The rubber dinner was held on May 10<sup>th</sup> in Bangkok.

### Rubber Futures Report:

Global rubber futures closed the week higher across all rubber exchanges. Trading volume has started to pick up following the extended holidays in early May. Market sentiment remains cautiously steady, with a mix of fresh buying and short covering contributing to the slight uptick in prices. Producers in Southeast Asian countries are contending with extreme hot weather conditions, with temperatures exceeding 40 degrees Celsius in some parts of Thailand. This hot and dry weather pattern is anticipated to persist over the next few months. Uncertainty surrounding the Chinese economy is influencing the sideways movement in rubber prices. Recent data suggests a gradual recovery in the economy, reflected in the uptick in Chinese stocks over the past few weeks. In world news, Israel has issued evacuation orders to tens of thousands of Palestinians in Rafah as it escalates military operations in southern Gaza. Ceasefire negotiations in Egypt and Qatar have failed, and approximately 150,000 Palestinians are away from Rafah. In financial news, China's CPI increased for the third consecutive month in April, rising by 0.3%, indicating a recovery in demand. US stocks extended their climb for the seventh consecutive day, fueled by expectations that the Fed will turn to ease rates following weak job data in April, where the unemployment rate edged higher to 3.9%. Crude oil prices held steady at \$78.20 per barrel amid ongoing tension in the Middle East. The USD strengthened slightly against major currencies as investors awaited the CPI data scheduled for next Wednesday, with expectations of a 3.4% increase.

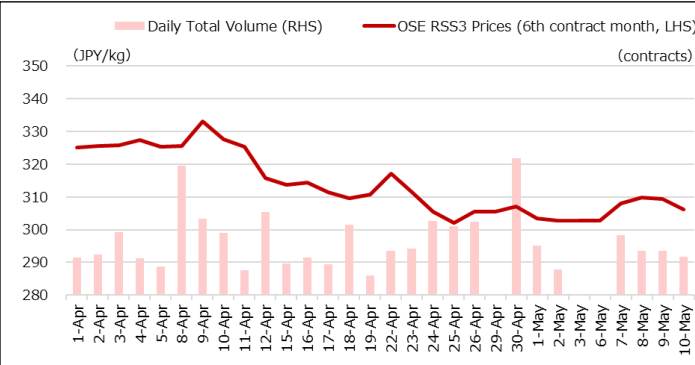
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (US¢)	Net	TFEX JRF	Last (THB)	Net
May 24	308.8	-4.2	SCR/RSS Sep 24	14,205	+55	Jun 24	162.5	+0.9	Sep 24	306.4	+5.5
Jun 24	309.0	+2.7	SCR/RSS Jan 25	15,305	+70	July 24	162.6	+0.7	Oct 24	305.5	+4.5
Jul 24	309.0	+4.0	<b>Total Vol.</b>	<b>1,667,822</b>	<b>+1,026,296</b>	Aug 24	163.0	+0.7	<b>SHFE BR</b>	<b>Last (CNY)</b>	<b>Net</b>
Aug 24	309.5	+3.8	<b>Total OI</b>	<b>280,794</b>	<b>+15,882</b>	Sep 24	163.4	+0.5	May 24	13,010	-180
Sep 24	307.2	+3.5	INE TSR Jun 24	11,645	+100	Oct 24	163.7	+0.4	Jun 24	13,130	-5
Oct 24	306.2	+3.5	INE TSR July 24	11,725	+95	Nov 24	163.9	-0.1	Jul 24	13,305	+25
<b>Total Vol.</b>	<b>5,715</b>	<b>-750</b>	<b>Total Vol.</b>	<b>300,392</b>	<b>+162,529</b>	<b>Total Vol.</b>	<b>55,532</b>	<b>+21,743</b>	<b>Total Vol.</b>	<b>176,425</b>	<b>+101,266</b>
<b>Total OI</b>	<b>7,380</b>	<b>-105</b>	<b>Total OI</b>	<b>86,766</b>	<b>-3,996</b>	<b>Total OI</b>	<b>73,560</b>	<b>+447</b>	<b>Total OI</b>	<b>35,112</b>	<b>+10,187</b>

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 30 Apr)	9,336	-80
Shanghai SHFE Rubber Stocks (ton, 10 May)	216,771	-330
Shanghai INE Rubber Stocks (ton, 10 May)	141,018	-2,621
China Vehicle Total Sales (unit, 31 Mar 2024)	2,694,461	+1,110,943
China Passenger Car Sales (unit, 31 Mar 2024)	2,236,276	+903,461
China Commercial Car Sales (unit, 31 Mar 2024)	458,185	+207,482
US Unemployment Rate (% , April 24)	3.9	+0.1
US Non-Farm Payroll (April 24)	175,000	-140,000
Japan Unemployment Rate (% , Mar 24)	2.6	+0.0
Japan Manufacturing PMI (April 24)	49.6	+1.4
Japan Tankan Large Manufacturing (1Q 2024)	+11.0	-0.1
China Manufacturing PMI (Mar 2024)	50.8	+1.7
China GDP 1Q 2024 (%)	5.3	+0.1

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	155.78	+2.73
EUR/USD	1.0771	+0.0010
GBP/USD	1.2525	-0.0022
USD/CHF	0.9065	+0.0011
AUD/USD	0.6604	-0.0006
USD/CNY	7.2269	-0.0141
USD/INR	83.4987	+0.0687
USD/SGD	1.3546	+0.0050
USD/MYR	4.7397	+0.0012
USD/THB	36.768	+0.048
USD/IDR	16,046.5	-36.5
USD/VND	25,451.5	+37.5

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	38,229.11	-6.96
TOPIX Japan	2,728.21	-0.32
Dow Jones US	39,512.84	+837.16
S&P 500 US	5,222.68	+94.89
Nasdaq US	16,340.87	+184.54
CSI 300 China	3,666.28	+61.89
Shanghai China	3,154.55	+49.73
HSI Hong Kong	18,963.68	+487.76
STI Singapore	3,290.70	-2.23
KLCI Malaysia	1,600.67	+11.08
SET Thailand	1,371.90	+1.98
IDX Indonesia	7,088.80	-45.92
VSE Vietnam	1,244.70	+23.67

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 24	38,240	+50
JPX TOPIX Jun 24	2,729.0	+7.0
JPX NK 400 Jun 24	24,840	+85
JPX TSE REIT Jun 24	1,801.5	-22.0
JPX NK 225 VI May 24	19.35	-1.35
JPX JGB 10 Year Jun 24	144.26	-0.03
JPX Gold 1 Kg Apr 25	11,816	+244
JPX Platinum Apr 25	4,925	+145
JPX Silver Apr 25	143.2	+9.2
JPX Palladium Apr 25	4,800	+0
JPX TSR20 Aug 24	255.0	+4.0
JPX Corn Mar 25	41,880	+630
JPX Dubai Crude Oct 24	77,710	+950

Source: JPX

### Technical Analysis on the OSE Oct-2024 Contract:

OSE's Oct-2024 contract closed JPY 3.5 higher, closing at 306.2 in quiet trading. Prices remained range-bound and held steady above the 300.0 level, contributing to stable market sentiment. The weakening JPY and buying interest from the China SHFE market further supported the market. Anticipated support levels are at 300.0 and 290.4, while resistance levels are at 310.0 and 316.0. Prices are expected to consolidate once a clearer direction emerges. The 14-day RSI stands at 47.9%, indicating proximity to the neutral level.



Source: Bloomberg

### Technical Analysis on the SGX SICOM Aug-2024 Contract:

SICOM's active August-2024 contract closed marginally higher in quiet and listless trading, closing at 163.0. Prices remained mostly sideways throughout the week, reflecting subdued market sentiment. Trading volume picked up after the holiday, while the sentiment remained quiet and steady. The trading range is likely to be 160-165 before a further breakout occurs. OI increased by 447 lots, indicating light new buying interest. Anticipated support levels are at 159.5-160.0, while resistance levels are at 164.5-165.0. The 14-day RSI is at 51.1%, suggesting further price consolidation in the next couple of weeks.



Source: Bloomberg

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