

# The Japan Rubber Futures Weekly Report:

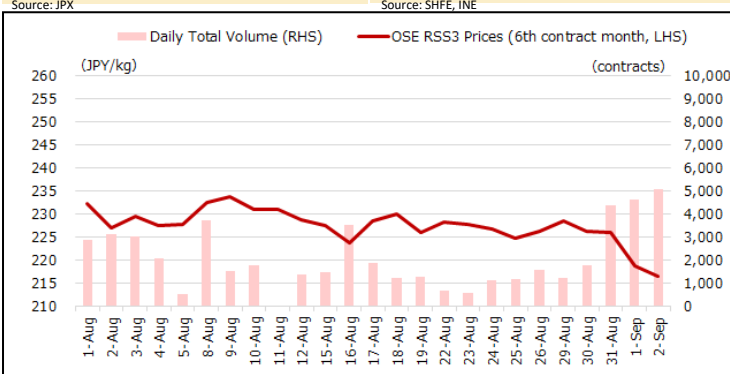
## 29 Aug 2022 – 02 Sep 2022

Note: Japan July Jobless rate 2.6%, July Industrial Production +1.0% on month, July Retail Sales +2.4% year/year.

### Rubber Futures Report:

World rubber futures closed the week sharply lower across all rubber exchanges. With volume soaring in all exchanges, trading was active as speculative transactions pushed prices to the recent lows. Open Interest in all exchanges also increased, signalling the creation of new short positions. There remained bearish market sentiment arising from concerns of global recession, rising geo-political tensions, expectations of further interest rate hikes, and a weakening Chinese economy stemming from another citywide lockdown in Chengdu affecting 21 million people. China also reported a weak Aug Manufacturing PMI at 49.4, below 50.0 of the neutral level. Japan reported a 13.3% decrease in vehicle sales in Aug from the previous year, reinforcing the weak market sentiment. The International Rubber Study Group (IRSG) forecasted rubber demand to grow 2.4% annually from 2023-2031. In other news, the US reported that the unemployment rate in August increased by 0.2% to 3.7%, and the Non-farm payroll rose by 315,000, slightly higher than forecast. The Fed is likely to raise the key interest rate at the FOMC meeting on 21 Sept to curve inflation, and that expectation has made equity markets sluggish, and the USD strengthened.

OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Sep 22	223.1	-4.9	SCR/RSS Jan23	12,275	-270	Sep 22	136.2	Expired	RSS3 Jan 23	56.70	-1.80
Oct 22	224.2	-3.1	SCR/RSS May23	12,425	-420	Oct 22	133.3	-8.9	RSS3 Feb 23	56.85	-1.75
Nov 22	222.2	-4.7	<b>Total Vol.</b>	<b>1,482,417</b>	<b>+152,733</b>	Nov 22	132.1	-9.1	JRF Jan 23	217.2	-8.8
Dec 22	222.7	-4.5	<b>Total OI</b>	<b>296,788</b>	<b>+16,043</b>	Dec 22	132.2	-9.2	JRF Feb23	216.6	-10.1
Jan 23	216.9	-8.5	INE TSR Nov 22	9,470	-465	Jan 23	132.6	-8.9	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
Feb 23	261.6	-9.6	INE TSR Dec 22	9,490	-610	Feb 23	133.2	-8.8	RSS4 Sep 22	Untraded	0
<b>Total Vol.</b>	<b>17,099</b>	<b>+11,916</b>	<b>Total Vol.</b>	<b>298,857</b>	<b>+90,793</b>	<b>Total Vol.</b>	<b>45,464</b>	<b>+8,146</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>10,493</b>	<b>+1,137</b>	<b>Total OI</b>	<b>99,332</b>	<b>+15,702</b>	<b>Total OI</b>	<b>47,665</b>	<b>+501</b>	RSS4 Sep 22	16,500	-1,100



Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 Aug)	4,241	-230
Shanghai SHFE Rubber Stocks (ton, 02 Sept)	288,790	+1,908
Shanghai INE Rubber Stocks (ton, 02 Sept)	67,596	-1,462
China Vehicle Total Sales (unit, 31 July 22)	2,420,058	-82,235
China Passenger Car Sales (unit, 31 July 22)	2,174,325	-47,279
China Commercial Car Sales (unit, 31 July 22)	245,733	-34,956
US Unemployment Rate (%), July	3.7	+0.2
US Non-Farm Payroll (Aug)	315,000	-211,000
Japan Unemployment Rate (%), July	2.6	0
Japan Manufacturing PMI (Aug)	51.0	-1.1
Japan Tankan Large Manufacturing (2Q)	+9	-5
China Manufacturing PMI (June)	50.2	+0.6
China GDP 2Q (%)	+0.4	-4.4

FOREX	Last	Net
USD/JPY	140.20	+2.56
EUR/USD	0.9954	-0.0012
GBP/USD	1.1509	-0.0235
USD/CHF	0.9812	+0.0155
AUD/USD	0.6812	-0.0085
USD/CNY	6.9000	+0.0282
USD/INR	79.8025	-0.0687
USD/SGD	1.4022	+0.0083
USD/MYR	4.4862	+0.0197
USD/THB	36.682	+0.56
USD/IDR	14,896	+79
USD/VND	23,444	+34

Stock Index	Last	Net
NK225 Japan	27,650.84	-990.54
TOPIX Japan	1,930.17	-49.42
Dow Jones US	31,318.44	-964.96
S&P 500 US	3,924.26	-133.40
Nasdaq US	11,630.86	-510.85
CSI 300 China	4,023.61	-83.94
Shanghai China	3,186.48	-49.74
HSI Hong Kong	19,452.09	-717.95
STI Singapore	3,205.69	-43.84
KLCI Malaysia	1,491.18	-9.11
SET Thailand	1,622.15	-22.63
IDX Indonesia	7,177.18	+41.93
VSE Vietnam	1,280.51	-2.06

JPX Derivatives	Last	Net
JPX NK225 Sep 22	27,660	-950
JPX TOPIX Sep 22	1,927.0	-50.0
JPX NK 400 Sep 22	17,380	-435
JPX TSE REIT Sep 22	2,009.5	-13.0
JPX NK 225 VI Sept 22	20.80	+0.10
JPX JGB 10 Year Sep 22	149.27	-0.35
JPX Gold 1 Kg Aug 23	7,645	New
JPX Platinum Aug 23	3,647	New
JPX Silver Aug 23	79.2	New
JPX Palladium Aug 23	9,100	New
JPX TSR20 Dec 22	182.0	-10.0
JPX Corn Sept 23	48,650	+450
JPX Dubai Crude Jan 23	74,170	-2,530

### Rubber Trading – Technical Analysis OSE Feb Futures:

OSE's new active Feb-23 contracts closed JPY 9.6 lower at JPY 216.6 with relatively active trading volume. There looked fresh speculative selling as its open interest rose 1,137 lots, and the trading volume doubled compared to the previous week. The prices continued to drift lower all week as overseas rubber prices sank to new lows. The support of Feb contracts is expected at 210-212, and the resistance would become 222.5 and then 226.5. The prices seem to be oversold considering the RSI of 29.93, but the market sentiment could remain bearish as there is little sign of recovery in the near term.



### Rubber Trading – SGX SICOM Nov Futures Technical Analysis:

SICOM rubber futures dropped to recent lows as speculators and arbitrageurs continued to try lower prices. There looked speculative and stop-loss selling by traders having long positions. Despite very much oversold market conditions with RSI at 14.2%, the prices remained in a weaker sentiment, and that condition seemed to continue for a while. The November contracts are expected to trade within a range between 130.0 and 135.5. The September contracts of TSR20 expired at US cent 136.2, and those of RSS3 settled at US cent 151.3.



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