

# The Japan Rubber Futures Weekly Report:

07 Mar 2022 – 11 Mar 2022

**Note:** Japan 4Q GDP +4.6% annualized, 4Q +1.1% on Quarter/Quarter, Feb PPI higher at 9.3% Year on Year

## Rubber Futures Report:

Rubber futures prices closed the week mixed in active and volatile trading. All rubber exchanges saw a marked increase in trading volume but there were many positions closing and liquidation as open interests were all down in all major exchanges. OSE Aug futures were -4.3% in active trading while both SHFE and INE were +1% and +0.3% respectively. SICOM rubber was little change and prices closed up marginally. Shanghai rubber stocks at designated warehouses were up again with SHFE +1,070 tonnes while INE was up 5,182 tonnes. The main news for the week was the on-going Ukraine war where diplomatic and cease-fire talks had failed, the surge in crude oil prices (WTI high \$130.5) whereby the US banned imports of Russian oil and gas and the wild swings in commodities which inflation had been a hot topic. The Fed will meet on 15/16 Mar and expected to raise key interest rate by 0.25% from the current 0.00-0.25%. Japan had reported 4Q GDP lower at +4.6% while the US Feb CPI was +7.9% highest in 40 years. Global equity markets were mostly down as fund managers unload and there is now a growing fear of recession/stagflation if the war persist.

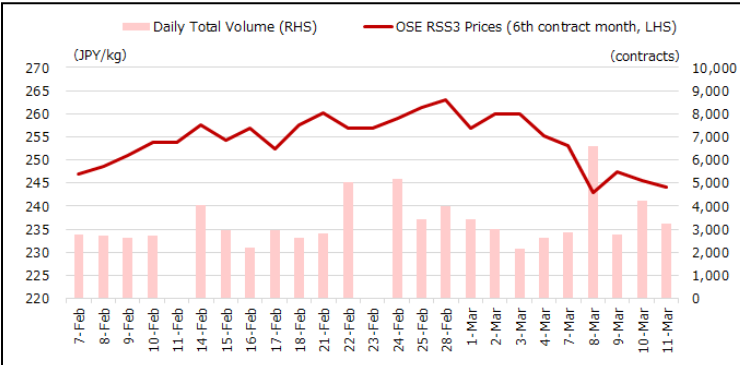
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Mar 22	244.3	-6.4	SCR/RSS May22	13,900	+140	Apr 22	177.6	+1.0	RSS3 Jul 22	67.05	-2.6
Apr 22	245.4	-7.5	SCR/RSS Sep22	14,130	+130	May 22	177.5	+0.5	RSS3 Aug 22	67.15	-2.5
May 22	248.5	-3.7	<b>Total Vol.</b>	<b>2,169,473</b>	<b>+451,852</b>	Jun 22	177.8	+0.4	JRF Jul 22	245.5	-8.1
Jun 22	248.3	-5.3	<b>Total OI</b>	<b>347,082</b>	<b>-23,510</b>	Jul 22	178.0	+0.2	JRF Aug 22	245.2	-11.0
Jul 22	243.9	-9.7	INE TSR May 22	11,540	+30	Aug 22	178.5	+0.3	<b>ICEX Last (INR)</b>	<b>Net</b>	
Aug 22	244.1	-11.1	INE TSR Jun 22	11,630	+35	Sep 22	178.9	+0.2	RSS4 Mar 22	16,811	+330
<b>Total Vol.</b>	<b>19,709</b>	<b>+4,503</b>	<b>Total Vol.</b>	<b>318,878</b>	<b>+5,618</b>	<b>Total Vol.</b>	<b>47,921</b>	<b>+9,318</b>	<b>MCX Last (INR)</b>	<b>Net</b>	
<b>Total OI</b>	<b>8,601</b>	<b>-1,545</b>	<b>Total OI</b>	<b>70,867</b>	<b>-3,459</b>	<b>Total OI</b>	<b>44,833</b>	<b>-4,519</b>	RSS4 Mar 22	16,975	+173

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 28 Feb)	8,213	+28
Shanghai SHFE Rubber Stocks (ton, 11 Mar)	252,274	+1,070
Shanghai INE Rubber Stocks (ton, 11 Mar)	99,974	+5,182
China Vehicle Total Sales (unit, 31 Jan22)	2,530,584	-255,334
China Passenger Car Sales (unit, 31 Jan22)	2,186,344	-235,214
China Commercial Car Sales (unit, 31 Jan22)	344,240	-20,120
US Unemployment Rate (% Feb)	3.8%	-0.2
US Non-Farm Payroll (Feb)	678,000	+197,000
Japan Unemployment Rate (% Jan)	2.8	+0.1
Japan Manufacturing PMI (Feb)	52.7	-2.7
Japan Tankan Large Manufacturing (4Q)	+18	+0
China Manufacturing PMI (Feb)	50.2	+0.1
China GDP 4Q (%)	+4.0	-0.9

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	117.29	+2.47
EUR/USD	1.0912	-0.0016
GBP/USD	1.3037	-0.0193
USD/CHF	0.9342	+0.0175
AUD/USD	0.7293	-0.0077
USD/CNY	6.3393	+0.0198
USD/INR	76.5925	+0.4263
USD/SGD	1.3629	+0.0025
USD/MYR	4.1958	+0.0180
USD/THB	33.299	+0.692
USD/IDR	14,301	-86
USD/VND	22,859	+18

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	25,162.78	-822.69
TOPIX Japan	1,799.54	-45.40
Dow Jones US	32,944.19	-670.61
S&P 500 US	4,204.31	-124.56
Nasdaq US	12,843.81	-469.63
CSI 300 China	4,306.52	-189.91
Shanghai China	3,309.75	-137.90
HSI Hong Kong	20,553.79	-1,351.50
STI Singapore	3,249.66	+22.88
KLCI Malaysia	1,568.22	-35.72
SET Thailand	1,658.01	-13.71
IDX Indonesia	6,922.60	-5.73
VSE Vietnam	1,466.54	-38.79

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 22	25,090	-750
JPX TOPIX Jun 22	1,786.0	-43.0
JPX NK 400 Jun 22	16,095	-395
JPX TSE REIT Jun 22	1,862.0	-16.0
JPX NK 225 VI Apr 22	26.30	+1.30
JPX JGB 10 Year Jun 22	150.39	-0.33
JPX Gold 1 Kg Feb 23	7,431	+252
JPX Platinum Feb 23	3,905	-55
JPX Silver Feb 23	96.2	+2.5
JPX Palladium Feb 23	10,900	+500
JPX TSR20 Jun 22	205.0	-1.0
JPX Corn Mar 23	51,710	+5,820
JPX Dubai Crude Aug 22	67,450	+740

Source: JPX

### Rubber Trading – Technical Analysis OSE August Rubber futures:

OSE June futures closed at 248.3 while active Aug futures closed at 244.1 making the June/Aug calendar spread at +4.2 (248.3-244.1). This is abnormal as the market is usually negative due to Contango market. The market is now in backwardation. An opportunity to sell the spread, meaning selling June at 248.3 and buy Aug at 244.1 at a differential of +4.2. The spreader is looking the spread to go to par or -2.0 to take profit. The spreader also places a buy stop at +10.0 to limit its loss.

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

SICOM 2<sup>nd</sup> active month May futures closed little changed +0.5 at 177.5. Prices remained sideways in the mild uptrend. Support is seen at 176-77 while resistance at 181.5-182.0 remains strong. Prices are approaching the apex of a triangle and a break is imminent either side. 14 days RSI is now at 47.2%. A break and close above 182.0 will signal further upside move possibly to \$2.00 while a break below 175.0 may likely to see further downside to 171.0 or more.



Source: Bloomberg



Source: Bloomberg

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