

# The Japan Rubber Futures Weekly Report:

07 Nov 2022 – 11 Nov 2022

Note: Japan Leading Index Sept 97.4, Machine Tool Orders -5.4%, Oct Producer Prices Index 9.1% on year

## Rubber Futures Report:

World rubber futures closed the week higher in all major rubber exchanges and recovered from multi-year lows. The strong recovery of the global stock markets supported improving the rubber market sentiment. OSE rubber futures rallied 1.6%, while SICOM futures rose 4.1% with new speculative buying activities. SHFE and INE futures rose 3.1% and 1.7%, respectively, and decreasing their open interests indicates that some short-cover transactions occurred. Global stock stocks had a strong recovery later in the week after a lower-than-expected US CPI in October fuelled speculation that the Fed would slow the pace of interest rate tightening later this year. On Friday, China announced other positive news to relax its Covid-19 restriction measures, shortening the quarantine period for inbound travelers, which new measures could lead to re-opening its markets and borders. In other world news, US President Biden will meet Chinese leader Xi Jinping on November 14 during the G20 summit in Bali. From Russia, Foreign Minister Sergei Lavrov will attend the summit instead of President Putin.

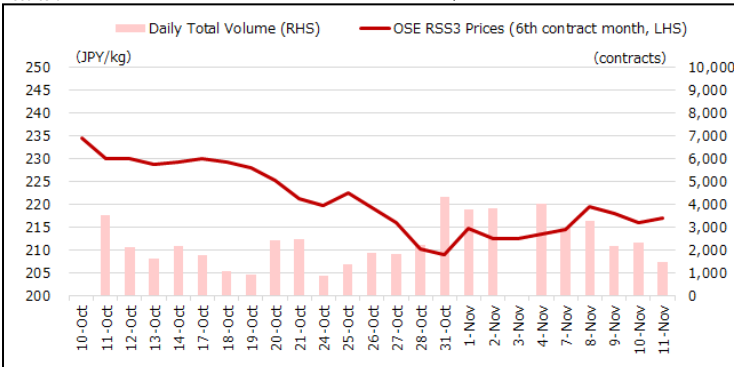
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Nov 22	209.5	-6.5	SCR/RSS Jan23	12,600	+380	Dec 22	128.9	+4.0	RSS3 Mar 23	54.05	+2.15
Dec 22	212.8	-1.4	SCR/RSS May23	12,430	+310	Jan 23	129.3	+5.0	RSS3 Apr 23	54.85	+2.10
Jan 23	214.7	-0.8	<b>Total Vol.</b>	<b>1,915,481</b>	<b>+68,892</b>	Feb 23	129.1	+5.1	JRF Mar 23	216.0	+1.2
Feb 23	215.3	-0.3	<b>Total OI</b>	<b>310,577</b>	<b>-3,365</b>	Mar 23	129.0	+5.2	JRF Apr 23	216.6	+3.6
Mar 23	217.0	+2.1	INE TSR Jan 23	9,565	+165	Apr 23	129.0	+4.8	<b>ICEX Last (INR)</b>	<b>Net</b>	
Apr 23	217.0	+3.5	INE TSR Feb 23	9,550	+200	May 23	129.2	+4.7	RSS4 Nov 22	Untraded	0
<b>Total Vol.</b>	<b>12,268</b>	<b>-3,753</b>	<b>Total Vol.</b>	<b>353,142</b>	<b>+20,644</b>	<b>Total Vol.</b>	<b>63,557</b>	<b>+17,060</b>	<b>MCX Last (INR)</b>	<b>Net</b>	
<b>Total OI</b>	<b>9,439</b>	<b>+46</b>	<b>Total OI</b>	<b>95,187</b>	<b>-3,213</b>	<b>Total OI</b>	<b>54,531</b>	<b>+3,706</b>	RSS4 Nov 22	16,200	untraded

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFXE, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 Oct)	4,252	-56
Shanghai SHFE Rubber Stocks (ton, 11 Nov)	321,864	+4,617
Shanghai INE Rubber Stocks (ton, 11 Nov)	44,018	+504
China Vehicle Total Sales (unit, 30 Sept 22)	2,613,025	+229,671
China Passenger Car Sales (unit, 30 Sept 22)	2,331,769	+206,509
China Commercial Car Sales (unit, 30 Sept 22)	278,556	+20,462
US Unemployment Rate (% Oct)	3.7	+0.2
US Non-Farm Payroll (Oct)	261,000	-54,000
Japan Unemployment Rate (% Sept)	2.6	+0.1
Japan Manufacturing PMI (Oct)	50.7	-0.1
Japan Tankan Large Manufacturing (3Q)	8	-1
China Manufacturing PMI (Oct)	49.2	-0.9
China GDP 3Q (%)	+3.9	+3.5

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	138.81	-7.81
EUR/USD	1.0347	+0.0039
GBP/USD	1.1830	+0.0451
USD/CHF	0.9417	-0.0534
AUD/USD	0.6703	+0.0233
USD/CNY	7.0973	-0.0878
USD/INR	80.81	-1.6288
USD/SGD	1.3718	-0.0351
USD/MYR	4.6225	-0.1252
USD/THB	36.002	-1.304
USD/IDR	15,495	-243
USD/VND	24,821	-44

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,263.57	+1,063.83
TOPIX Japan	1,977.76	+62.36
Dow Jones US	33,747.81	+1,344.59
S&P 500 US	3,992.93	+222.38
Nasdaq US	11,323.33	+848.08
CSI 300 China	3,788.44	+21.27
Shanghai China	3,087.29	+16.49
HSI Hong Kong	17,325.66	+1,164.52
STI Singapore	3,228.33	+98.22
KLCI Malaysia	1,468.21	+29.93
SET Thailand	1,637.29	+10.97
IDX Indonesia	7,089.21	+43.68
VSE Vietnam	954.53	-42.62

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 22	28,270	+1,080
JPX TOPIX Dec 22	1,982.5	+71.0
JPX NK 400 Dec 22	17,860	+700
JPX TSE REIT Dec 22	1,973.0	+29.0
JPX NK 225 VI Dec 22	20.75	-1.75
JPX JGB 10 Year Dec 22	148.48	+0.05
JPX Gold 1 Kg Oct 23	7,990	+183
JPX Platinum Oct 23	4,609	+341
JPX Silver Oct 23	97.0	+5.6
JPX Palladium Oct 23	9,000	-100
JPX TSR20 Feb 23	176.0	-4.0
JPX Corn Nov 23	48,190	-2,310
JPX Dubai Crude Apr 23	73,410	-3,860

Source: JPX

### Technical Analysis on the OSE April-2023 Contracts:

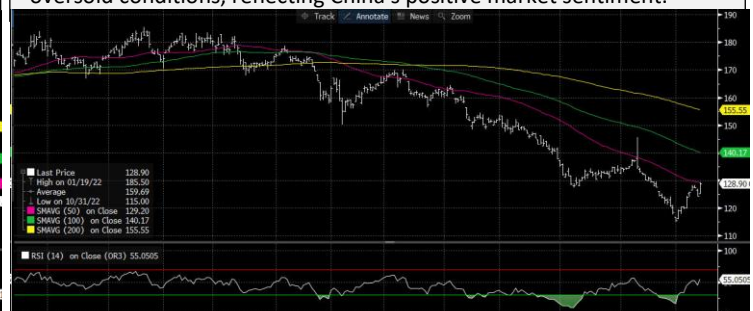
Apr-2023 contracts closed JPY3.5 higher at 217.0. Trading activities were generally quiet, with low trading volume and modest new buying. The forward curve turned back to contango (forward premium) after months of backwardation (forward discount), reflecting that the prices could return to normal conditions. The support level seems to be 212.0 and 208.0, while the resistance level will be 219.0 and 222.6 (50-day moving average). The 14-day RSI for rubber futures was 44%, indicating no clear price direction. The downtrend will likely last until the close price breaks the 223.0 level.



Source: Bloomberg

### Technical Analysis on the SGX SICOM February-2023 Contracts:

Feb-2023 contracts closed 5.1 cents higher at 129.1. The weekly trading volume increased by 17,000 contracts from the previous week. The OI increased by 3,706 contracts, indicating new buying activities arising from the hope for price recovery from months of persistent selling and bearish market sentiment. The support level seems to be 125.0, followed by 121.5, and the resistance level will be 129.8 and 131.5. The close price above the 131.0 level could signal further price hikes to 135.0 and 140.0 levels. The 14-day RSI reached 55% from the previous oversold conditions, reflecting China's positive market sentiment.



Source: Bloomberg

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