

# The Japan Rubber Futures Weekly Report:

## 21 Nov 2022 – 25 Nov 2022

Note: Japan Nov Mfg PMI weaker at 49.4, Tokyo Nov Core CPI higher 3.6%, Tokyo Nov CPI year/year +3.8%

### Rubber Futures Report:

World rubber futures closed the week lower across all rubber exchanges. After the news of new COVID cases in China, the markets experienced liquidation of long positions and further speculative selloffs from traders. OSE rubber futures fell 2.2%, while SHFE and INE futures dropped 0.4% and 2.1%, respectively. SICOM futures shed 2% amid new speculative selloffs. SHFE's warehouse rubber stocks fell 54% to 148,585 tonnes on yearly expiration, while INE's stocks also decreased by 3,356 tonnes. China's new COVID cases increased to another record high of 32,695 on Thursday, and an additional lockdown in several cities was reported. The USD/CNY surged to a new high as Chinese stocks remained under downside pressure. The struggling Chinese economy has put downward pressure on rubber prices. In other news, Japan's CPI rose 3.6% in November from a year earlier, hitting a 40-Year high, and the Manufacturing PMI in November recorded a weaker number at 49.4, putting PM Kishida in a difficult situation. In the US market, equities continued to rally after the Fed minutes indicated that the Fed would likely slow the tightening pace.

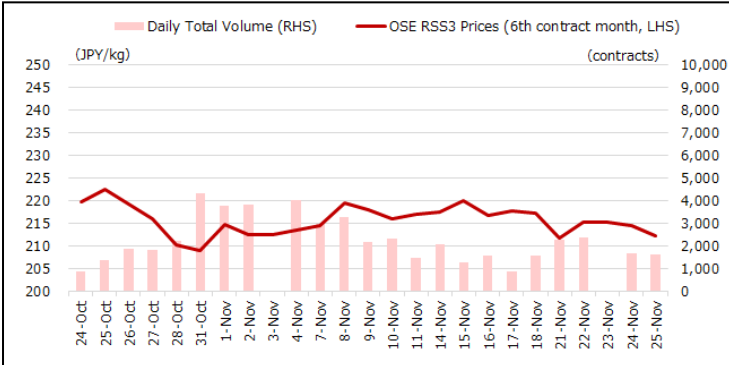
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Dec 22	212.3	-3.5	SCR/RSS Jan23	12,720	-55	Dec 22	126.1	-2.6	RSS3 Mar 23	53.70	-1.70
Jan 23	211.7	-6.3	SCR/RSS May23	12,550	-50	Jan 23	127.1	-2.8	RSS3 Apr 23	54.50	-1.75
Feb 23	212.7	-5.0	<b>Total Vol.</b>	<b>1,917,557</b>	<b>+42,175</b>	Feb 23	127.4	-2.5	JRF Mar 23	214.5	-1.8
Mar 23	212.5	-5.1	<b>Total OI</b>	<b>306,669</b>	<b>-3,332</b>	Mar 23	127.8	-2.6	JRF Apr 23	214.1	-2.3
Apr 23	212.4	-4.8	INE TSR Jan 23	9,475	-200	Apr 23	128.0	-2.7	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
May 23	212.3	-5.8	INE TSR Feb 23	9,485	-175	May 23	128.3	-2.7	RSS4 Nov 22	Untraded	0
<b>Total Vol.</b>	<b>8,030</b>	<b>+631</b>	<b>Total Vol.</b>	<b>362,288</b>	<b>+45,412</b>	<b>Total Vol.</b>	<b>48,698</b>	<b>+5,409</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>10,210</b>	<b>+545</b>	<b>Total OI</b>	<b>92,331</b>	<b>-785</b>	<b>Total OI</b>	<b>55,800</b>	<b>+3,589</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, 10 Nov)	4,604	+352
Shanghai SHFE Rubber Stocks (ton, 25 Nov)	148,585	-179,695
Shanghai INE Rubber Stocks (ton, 25 Nov)	40,159	-3,356
China Vehicle Total Sales (unit, 31 Oct 22)	2,504,683	-105,642
China Passenger Car Sales (unit, 31 Oct 22)	2,231,197	-100,572
China Commercial Car Sales (unit, 31 Oct 22)	273,486	-5,070
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 (Nov)	49.4	-1.3
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	139.19	-1.18
EUR/USD	1.0395	+70
GBP/USD	1.20.92	+0.0202
USD/CHF	0.9459	-0.0088
AUD/USD	0.6751	+0.0078
USD/CNY	7.1650	+0.0452
USD/INR	81.6862	-0.0013
USD/SGD	1.3768	+0.0009
USD/MYR	4.4843	-0.0687
USD/THB	35.737	-0.098
USD/IDR	15,673	-11
USD/VND	24,802	-6

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,283.03	+383.26
TOPIX Japan	2,018.00	+50.97
Dow Jones US	34,347.03	+601.34
S&P 500 US	4,026.12	+60.78
Nasdaq US	11,226.36	+80.30
CSI 300 China	3,775.78	-25.79
Shanghai China	3,101.69	+4.45
HSI Hong Kong	17,573.58	-418.96
STI Singapore	3,244.55	-27.68
KLCI Malaysia	1,486.54	+37.22
SET Thailand	1,620.84	+3.46
IDX Indonesia	7,053.15	-29.03
VSE Vietnam	971.46	+2.13

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 22	28,330	+450
JPX TOPIX Dec 22	2,020.0	+52.5
JPX NK 400 Dec 22	18,235	+475
JPX TSE REIT Dec 22	1,958.0	+10.5
JPX NK 225 VI Dec 22	19.95	+2.90
JPX JGB 10 Year Dec 22	148.97	-0.41
JPX Gold 1 Kg Oct 23	7,816	-99
JPX Platinum Oct 23	4,319	-2
JPX Silver Oct 23	93.9	+0.0
JPX Palladium Oct 23	8,900	-300
JPX TSR20 Feb 23	175.4	-7.6
JPX Corn Nov 23	46,230	-20
JPX Dubai Crude Apr 23	67,250	-2,680

Source: JPX

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

O OSE Apr-2023 contract dropped 2.2% to 212.4. The trading was moderate, and the OI increased by 545 contracts, reflecting some new selling off. The May-2023 contract will become the new active month from the Nov. 28 week. The price remained in a bearish trend and moved below the 50-day MA. The support level will be 210.5, followed by 207.5, while the resistance level will be 222.2 for the 50-day MA and 227.6 for the 100-day MA. The 14-day RSI is at the neutral level of 45.5%. Due to year-end rubber demand and position adjustments necessities, the rubber futures price would be steady and move within a tight range.



Source: Bloomberg

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

SICOM Feb-2023 contract shed 2.5 cents to 127.4. The trading was modestly active, and there were newly created positions as OI increased by more than 3,500 contracts. The support level will be 125.0, followed by 123.5, while the resistance level will be 129.5, followed by 132.0. The current bearish trend will remain in the short term unless the price closes above the 132.0 level. The 14-day RSI is at the neutral level of 49.9%. The Dec-2023 contract will expire on November 30, the last trading day.



Source: Bloomberg

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