

The Japan Rubber Futures Weekly Report:

17 Oct 2022 – 21 Oct 2022

Note: Japan Aug Industrial Production higher +3.4%, National CPI in Sept was higher at 3.0% year/year.

Rubber Futures Report:

World rubber futures tumbled with speculative selling pressure across all major exchanges. Market sentiment deepened to bearish by weak technical indicators, supply concerns, and slowing rubber demand. The prices hit a multi-year low, raising rubber producers' concerns about the recovery to the previous price levels. Scattered rain still affected several rubber-producing countries, but flooding was not reported this week. OSE rubber futures fell 3.6%, while SICOM futures slipped by 5.4% amid liquidating long positions. SHFE and INE rubber futures lost 3.5% and 2.6%, respectively, under heavy speculative selling pressure. SHFE's rubber warehouse stocks increased by 3,560 tonnes, while INE's stocks dropped by 4,234 as Chinese tire consumers tended to procure TSR20 more than sheet rubber this week. China's vehicle sales in Sept increased by 229,671 units in contrast to falling in Aug. In world economic news, Japan reported strong Industrial Production in Aug of +3.4% and higher inflation pressure in September, with CPI of 3.0%. In China, the 20th National Congress of CPC ended on Saturday with the changes of the Central Committee members. US stocks closed higher after the news that the Fed might slow the pace of interest rate rises led to market expectations.

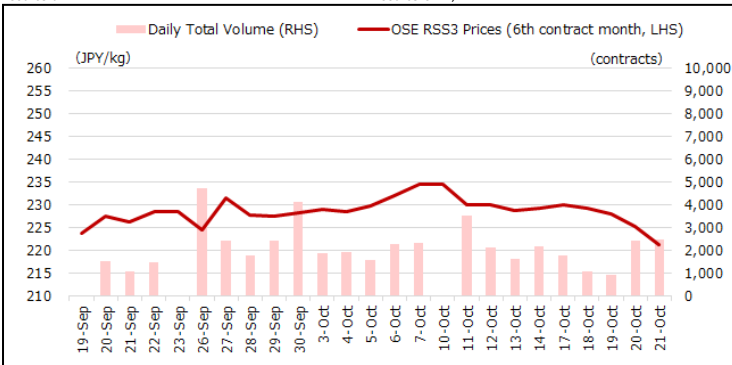
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Oct 22	224.2	+3.2	SCR/RSS Jan23	12,365	-450	Nov 22	124.8	-7.7	RSS3 Feb 23	57.10	-0.6
Nov 22	223.2	-1.8	SCR/RSS May23	12,440	-410	Dec 22	124.0	-7.6	RSS3 Mar 23	57.90	-0.6
Dec 22	222.2	-5.2	Total Vol.	1,370,419	+40,459	Jan 23	123.8	-7.1	JRF Feb 23	222.2	-6.5
Jan 23	221.9	-6.9	Total OI	303,421	+52,389	Feb 23	123.9	-7.2	JRF Mar 23	221.6	-9.4
Feb 23	221.3	-7.8	INE TSR Nov 22	9,445	-250	Mar 23	123.9	-7.5	ICEX	Last (INR)	Net
Mar 23	221.2	-8.2	INE TSR Dec 22	9,435	-285	Apr 23	124.1	-7.9	RSS4 Oct 22	Untraded	0
Total Vol.	8,702	-773	Total Vol.	275,087	+32,732	Total Vol.	40,121	-2,087	MCX	Last (INR)	Net
Total OI	9,118	+428	Total OI	96,103	+4,944	Total OI	46,584	+126	RSS4 Oct 22	16,300	untraded

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 10 Oct)	4,098	-283
Shanghai SHFE Rubber Stocks (ton, 21 Oct)	312,540	+3,560
Shanghai INE Rubber Stocks (ton, 21 Oct)	49,744	-4,234
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 (% Sep)	3.5	-0.2
US Non-Farm Payroll (Sep)	263,000	-52,000
Japan Unemployment Rate (% Aug)	2.5	-0.1
Japan Manufacturing PMI (Sep)	50.8	-0.2
Japan Tankan Large Manufacturing (3Q)	8	-1
China Manufacturing PMI (Sep)	50.1	+0.7
China GDP 2Q (%)	+0.4	-4.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	147.65	-1.02
EUR/USD	0.9862	+0.0140
GBP/USD	1.1303	+0.0131
USD/CHF	0.9978	-0.0076
AUD/USD	0.6379	+0.0180
USD/CNY	7.2306	+0.0381
USD/INR	82.685	+0.325
USD/SGD	1.4152	+0.0108
USD/MYR	4.7387	+0.0342
USD/THB	38.024	-0.31
USD/IDR	15,632	+205
USD/VND	24,669	+554

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	26,890.58	-200.18
TOPIX Japan	1,881.98	-16.21
Dow Jones US	31,082.56	+1,447.73
S&P 500 US	3,752.75	+169.68
Nasdaq US	10,859.72	+538.33
CSI 300 China	3,742.89	-99.58
Shanghai China	3,038.93	-33.06
HSI Hong Kong	16,211.12	-376.57
STI Singapore	2,969.95	-69.66
KLCI Malaysia	1,446.42	+63.95
SET Thailand	1,591.32	+30.54
IDX Indonesia	7,017.77	+203.24
VSE Vietnam	1,019.82	-42.03

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 22	26,900	-150
JPX TOPIX Dec 22	1,885.5	-6.5
JPX NK 400 Dec 22	16,910	-95
JPX TSE REIT Dec 22	1,854.5	-40.0
JPX NK 225 VI Nov 22	22.70	-0.35
JPX JGB 10 Year Dec 22	147.60	-0.73
JPX Gold 1 Kg Aug 23	7,810	-79
JPX Platinum Aug 23	4,193	+85
JPX Silver Aug 23	88.0	-1.2
JPX Palladium Aug 23	10,000	+100
JPX TSR20 Jan 23	185.0	-5.0
JPX Corn Nov 23	50,950	New
JPX Dubai Crude Mar 23	74,760	-1,080

Source: JPX

Technical Analysis on the OSE Mar-23 Contracts:

Active Mar-23 contract lost JPY 8.2 to 221.2 in line with overseas rubber futures markets, with relatively lower trading activity. The price broke the short-term support level of 225.0 and dropped below the 50-day moving average level (See the pink line in the chart). Market sentiment remains bearish, and the next support level is expected at 220.5, followed by 214.1. The resistance level is 228.8, followed by 237.1 of the 100-day moving average. The 14-day RSI is 38.5, indicating that this is not at an oversold level and there could be more downside possibilities.



Source: Bloomberg

Technical Analysis on the SGX SICOM Jan-23 Contracts:

SICOM's Jan-23 contract fell 7.1 cents to close at 123.8 under quiet trading activity. The prices continued to drift lower all week amid overseas speculative selling stemming from concerns about supply constraints and slowing rubber demand. The current price level is at a multi-year low. The next support level will be 121/120, which could find buying interest. The resistance level is expected at 137.5/138, the previous high. The 14-day RSI shows an oversold condition at 25.4% and may attract buyers at the current levels.



Source: Bloomberg

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