

The Japan Rubber Futures Weekly Report:

22 Aug 2022 – 26 Aug 2022

Note: Jibun Bank Japan Aug PMI Manufacturing lower at 51.0, Tokyo core CPI higher at 2.6% year/year

Rubber Futures Report:

World rubber futures closed the week lower in all major rubber exchanges. Due to speculative selling and long liquidation, the prices continued to slide to the new recent lows. The prospect of further interest rate hikes, a weaker Chinese economy and the fear of a global recession kept buyers away from the market. OSE's rubber futures closed marginally lower though near months increased higher due to firmer physical demand for RSS3. SHFE and INE's futures fell 1.3% and 1.6%, respectively, and SICOM's futures also slid 1.4%. Trading volume across all exchanges fell sharply, signalling that the selling pressure was in the last phase and the prices could move within the current level. Indonesia's forthcoming wintering season next month will further reduce supplies and could trigger decreasing the physical rubber price. China's Wanli tire Co. unveiled plans to spend EUR 85m to upgrade Guangzhou facilities and increase its production by 60%. Sawar Dhanania, India's rubber board chairman, urged raising rubber cultivation levels to meet the country's natural rubber demand. US equity markets fell sharply Friday after Fed Chairman Powell expressed his hawkish stance to increase the key interest rate to curb inflation in the US.

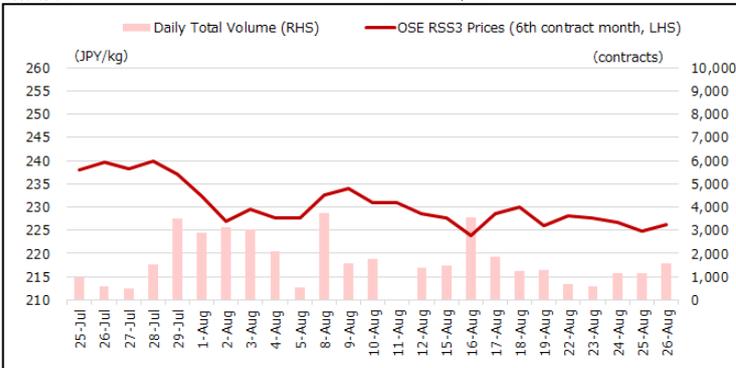
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Sep 22	228.0	+7.2	SCR/RSS Sep22	11,795	-60	Sep 22	143.8	-2.9	RSS3 Dec 22	58.25	+0.65
Oct 22	227.3	+2.6	SCR/RSS Jan23	12,545	-170	Oct 22	142.2	-2.3	RSS3 Jan 23	58.50	+0.55
Nov 22	226.9	+1.1	Total Vol.	1,329,684	-44,138	Nov 22	141.2	-2.0	JRF Dec 22	226.7	+0.10
Dec 22	227.2	+0.9	Total OI	280,745	+5,501	Dec 22	141.4	-1.8	JRF Jan 23	226.0	+0.20
Jan 23	225.4	-0.6	INE TSR Oct 22	9,985	-160	Jan 23	141.5	-1.9	ICEX	Last (INR)	Net
Feb 23	226.2	-1.5	INE TSR Nov 22	9,935	-165	Feb 23	142.0	-1.8	RSS4 Aug 22	Untraded	0
Total Vol.	5,183	-4,249	Total Vol.	208,064	-36,711	Total Vol.	37,318	-12,906	MCX	Last (INR)	Net
Total OI	9,356	+258	Total OI	83,630	-7,950	Total OI	47,164	+2,437	RSS4 Aug 22	16,900	0

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 Aug)	4,471	-63
Shanghai SHFE Rubber Stocks (ton, 26 Aug)	286,882	+2,829
Shanghai INE Rubber Stocks (ton, 26 Aug)	69,058	-7,721
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)	3.5	-0.1
US Non-Farm Payroll (July)	528,000	+156,000
Japan Unemployment Rate (% June)	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

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	137.64	+0.67
EUR/USD	0.9966	-0.0071
GBP/USD	1.1744	-0.0085
USD/CHF	0.9657	+0.0065
AUD/USD	0.6897	+0.0022
USD/CNY	6.8718	+0.0542
USD/INR	79.8712	+0.0887
USD/SGD	1.3939	+0.0019
USD/MYR	4.4665	-0.0112
USD/THB	36.122	+0.338
USD/IDR	14,817	-21
USD/VND	23,410	+17

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,641.38	-288.95
TOPIX Japan	1,979.59	-14.93
Dow Jones US	32,283.40	-1,421.81
S&P 500 US	4,057.66	-170.82
Nasdaq US	12,141.71	-563.50
CSI 300 China	4,107.55	-43.52
Shanghai China	3,236.22	-21.86
HSI Hong Kong	20,170.04	+397.01
STI Singapore	3,249.53	+3.02
KLCI Malaysia	1,500.29	-4.15
SET Thailand	1,644.78	+18.86
IDX Indonesia	7,135.25	-37.18
VSE Vietnam	1,282.57	+13.39

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 22	28,610	-320
JPX TOPIX Sep 22	1,977.0	-18.5
JPX NK 400 Sep 22	17,815	-135
JPX TSE REIT Sep 22	2,022.5	-3.5
JPX NK 225 VI Sept 22	20.70	-0.15
JPX JGB 10 Year Sep 22	149.62	-0.58
JPX Gold 1 Kg June 23	7,706	+41
JPX Platinum June 23	3,831	-73
JPX Silver June 23	83.2	+0.4
JPX Palladium June 23	9,400	0
JPX TSR20 Nov 22	192.0	-2.0
JPX Corn Sept 23	48,200	+2,400
JPX Dubai Crude Jan 23	76,700	+3,200

Source: JPX

Rubber Trading – Technical Analysis OSE Jan Futures:

OSE's active Jan contracts slipped JPY 0.6 to JPY 225.4, and the prices traded within a tight range in light volume, showing the lack of keen buying drivers. Trading volume fell 4,249 lots compared to the previous week, while the slight increase of OI suggested a bit of buying interest at the current price levels. The active contract months will switch to Feb from next week. The support is expected at 223.0 and 220.5, and the resistance is 230.0 and 235.0. The 14-day RSI is currently 38%. The Feb contracts could be traded within a range between 223.0 and 230.0.



Source: Bloomberg

Rubber Trading – SGX SICOM Nov Futures Technical Analysis:

SICOM's Nov contracts closed 2 cents lower at 141.2. The prices broke down the 140.0 level but closed higher from the bottom on Friday. The prices moved lower all week as speculators continued to sell during the lack of positive news and poor technical indicators. Although the market has been falling for the past three months, trading volume and OI indicate that the conditions attract some buyers. The support is expected at 138.0 and 135.5, and the resistance is 146.5, followed by 150.0. The market looks oversold as the current RSI is 23.8%.



Source: Bloomberg

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