

The Japan Rubber Futures Weekly Report:

12 Sep 2022 – 16 Sep 2022

Note: Japan Aug PPI higher at +9.0%, Core Machine Orders stronger in July at +5.3%, July Ind. Production +0.8%

Rubber Futures Report:

World rubber futures closed the week higher after facing negative news and selling pressures for several weeks. There looked short covering after the prices kept hitting new lows for several months. OSE futures closed 2.8% higher with firm trading volume. SHFE and INE futures increased 5.4% and 3.2%, respectively, on heavy short covering amid falling trading volume on the week. SICOM futures rose 1.6%, with increased trading volume, including new buyers. Some positive news this week, lifting the full citywide COVID lockdown in China's Chengdu and China's robust economic data, could prompt further buying and short covering on rubber markets. China reported a better-than-expected Industrial Production of +4.2% and stronger Aug Retail Sales of +5.4%. China's total vehicle sales in Aug were -36,704 units, indicating that demands remained sluggish following two consecutive months' drops. The US reported a higher-than-expected CPI outcome in August of 8.3%, making global stock markets plunge, and the USD remains stronger against other currencies. The Fed will likely hike at least 75 bps on the FF rate at the next FOMC meeting on Sept. 21.

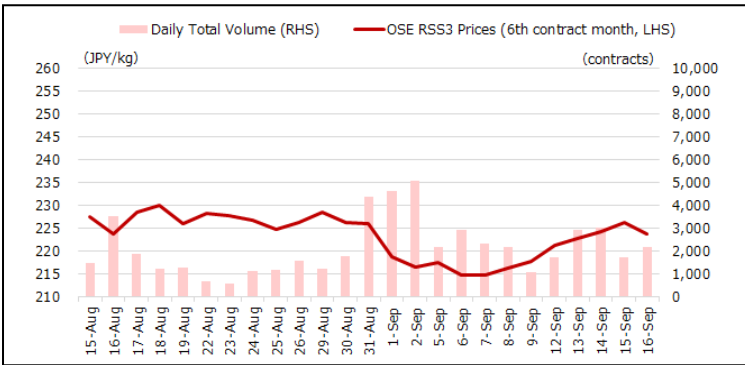
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Sep 22	214.4	-8.5	SCR/RSS Jan23	12,985	+670	Oct 22	134.1	+2.7	RSS3 Jan 23	57.65	+3.75
Oct 22	222.9	-0.7	SCR/RSS May23	12,790	+395	Nov 22	132.9	+3.1	RSS3 Feb 23	58.20	+3.75
Nov 22	226.4	+3.3	Total Vol.	1,286,631	-101,145	Dec 22	132.1	+2.1	JRF Jan 23	224.6	+4.7
Dec 22	226.3	+2.6	Total OI	252,033	-36,786	Jan 23	132.6	+2.4	JRF Feb23	223.4	+6.0
Jan 23	224.8	+4.5	INE TSR Nov 22	9,615	+295	Feb 23	133.2	+2.5	ICEX Last (INR) Net		
Feb 23	223.9	+6.2	INE TSR Dec 22	9,670	+280	Mar 23	133.9	+2.7	RSS4 Sep 22	Untraded	0
Total Vol.	11,653	+890	Total Vol.	201,602	-49,583	Total Vol.	48,142	+3,733	MCX Last (INR) Net		
Total OI	10,341	-467	Total OI	100,757	-4,434	Total OI	47,879	+295	RSS4 Sep 22	16,200	-300

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 Aug)	3,982	-259
Shanghai SHFE Rubber Stocks (ton, 16 Sept)	293,686	+3,969
Shanghai INE Rubber Stocks (ton, 16 Sept)	66,962	-404
China Vehicle Total Sales (unit, 31 Aug 22)	2,383,354	-36,704
China Passenger Car Sales (unit, 31 Aug 22)	2,125,260	-49,065
China Commercial Car Sales (unit, 31 Aug 22)	258,094	+12,361
US Unemployment Rate (%), July	3.7	+0.2
US Non-Farm Payroll (Aug)	315,000	-211,000
Japan Unemployment Rate (%), July	2.6	0
Japan Manufacturing PMI (Aug)	51.0	-1.1
Japan Tankan Large Manufacturing (2Q)	+9	-5
China Manufacturing PMI (Aug)	49.4	+0.4
China GDP 2Q (%)	+0.4	-4.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	142.92	+0.45
EUR/USD	1.0016	-0.0026
GBP/USD	1.1420	-0.0169
USD/CHF	0.9650	+0.0036
AUD/USD	0.6716	-0.0125
USD/CNY	6.9870	+0.0605
USD/INR	79.745	+0.1612
USD/SGD	1.4070	+0.0075
USD/MYR	4.5350	+0.0372
USD/THB	36.838	+0.452
USD/IDR	14,955	+125
USD/VND	23,652	+135

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,567.65	-647.10
TOPIX Japan	1,938.56	-26.97
Dow Jones US	30,822.42	-329.29
S&P 500 US	3,873.33	-194.03
Nasdaq US	11,448.40	-663.91
CSI 300 China	3,932.68	-161.11
Shanghai China	3,126.40	-135.65
HSI Hong Kong	18,761.69	-600.56
STI Singapore	3,268.29	+5.34
KLCI Malaysia	1,467.31	-29.22
SET Thailand	1,630.40	-24.22
IDX Indonesia	7,168.87	-73.79
VSE Vietnam	1,234.03	-14.75

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 22	27,350	-650
JPX TOPIX Dec 22	1,918.0	-29.5
JPX NK 400 Dec 22	17,260	-310
JPX TSE REIT Dec 22	2,023.0	+5.5
JPX NK 225 VI Oct 22	21.95	+0.70
JPX JGB 10 Year Dec 22	148.48	-0.13
JPX Gold 1 Kg Aug 23	7,647	-224
JPX Platinum Aug 23	3,949	+48
JPX Silver Aug 23	85.9	+1.5
JPX Palladium Aug 23	9,850	+350
JPX TSR20 Dec 22	187.7	+5.6
JPX Corn Sept 23	50,040	-110
JPX Dubai Crude Feb 23	71,980	+610

Source: JPX

Rubber Trading – Technical Analysis OSE Feb Futures:

OSE active Feb-23 contracts closed JPY 6.2 higher at JPY 223.9 with relatively moderate buying all week. OI dropped 467 contracts, showing closing out of some short positions. The 14-day RSI increased from 35.7% to 47.5%, indicating a recovery from oversold conditions in the past few weeks. The prices remain below the 50-day MA, and closing above 230.0 will signal further upside movement. The support is expected at 218.8 and 214.1, while the resistance is 227.7 and 230.0.



Source: Bloomberg

Rubber Trading – SGX SICOM Dec Futures Technical Analysis:

Dec-23 contracts closed 2.1 cents higher at 132.1 with firm trading volume. After several weeks of selling, buying at the lows this week boosted the prices. The 14-day RSI reached 33.8% from 19.5% in the last week, but the market seemed to remain downtrend. The front two contract months are at premiums, indicating that spot rubber was priced with 8-10 cents/kg premiums over futures prices. The market showed a bottoming out signal as the price curve was moving back to a contango. The expected range will be between 129.5 and 135.0.



Source: Bloomberg

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