



# The Japan Rubber Futures Weekly Report:

13 June 2022 – 17 June 2022

**Note:** Japan April Industrial Production 1.5% m/m, April Core Machine Orders 10.8%, April Tertiary Index +0.7% m/m

## Rubber Futures Report:

World rubber futures prices closed the week lower in all major exchanges. The prices were down on fear of a global recession after the US and several European countries hiked interest rates to control inflation. Slowing economic recovery in China and the lockdowns in Beijing and Shanghai may have impacted rubber demand, where strong renewed selling was seen in both SHFE and INE markets. Japan's OSE rubber futures closed -3.4% with a light trading volume. Both SHFE and INE fell 4.9% and 5.1%, respectively, on new speculative selling with a large trading volume. SICOM rubber futures were down -3.6% amid some physical buying arbitrage and light short-covering trading. OSE Nov. futures touched a support level at 252 before rebounded to close at 255.0. China May vehicle sales improved to 1,861,975 units +681,072 units compared to April. On global market news, the US Fed increased the Fed Funds Rate by 75 basis points to 1.75%, and following rate hikes are expected. The USD rallied sharply on rising bond yield, but global equities, excluding China, fell sharply.

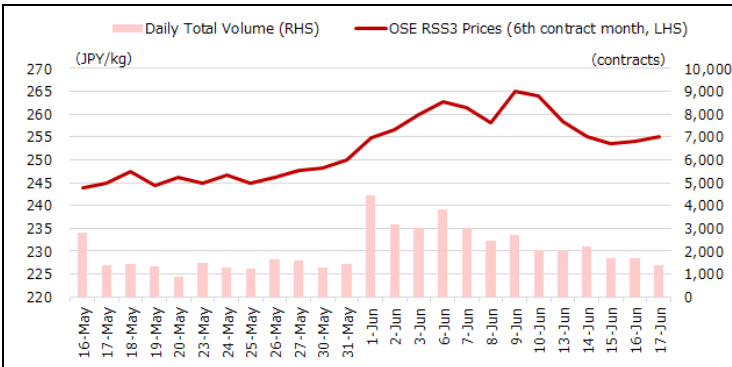
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFX	Last (THB)	Net
Jun 22	259.0	-1.0	SCR/RSS Sep22	12,745	-655	Jul 22	161.5	-5.8	RSS3 Oct 22	69.20	-0.35
Jul 22	251.0	-6.7	SCR/RSS Jan23	13,875	-615	Aug 22	161.3	-6.1	RSS3 Nov 22	69.10	+0.05
Aug 22	253.2	-4.8	<b>Total Vol.</b>	<b>1,889,659</b>	<b>+239,114</b>	Sep 22	161.4	-6.1	JRF Oct 22	255.5	-5.4
Sep 22	251.9	-7.7	<b>Total OI</b>	<b>316,320</b>	<b>+3,140</b>	Oct 22	161.7	-5.8	JRF Nov 22	256.7	-5.6
Oct 22	253.2	-9.2	INE TSR Aug 22	11,070	-590	Nov 22	161.9	-6.1	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
Nov 22	255.0	-9.0	INE TSR Sep 22	11,090	-605	Dec 22	162.5	-5.9	RSS4 Jun 22	untraded	0
<b>Total Vol.</b>	<b>9,098</b>	<b>-4,984</b>	<b>Total Vol.</b>	<b>283,678</b>	<b>+79,248</b>	<b>Total Vol.</b>	<b>35,834</b>	<b>+11,303</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>8,524</b>	<b>+302</b>	<b>Total OI</b>	<b>70,967</b>	<b>+49</b>	<b>Total OI</b>	<b>39,757</b>	<b>-406</b>	RSS4 Jun 22	17,730	0

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 May)	7,455	-87
Shanghai SHFE Rubber Stocks (ton, 17 June)	276,827	+1,402
Shanghai INE Rubber Stocks (ton, 17 June)	93,320	-6,734
China Vehicle Total Sales (unit, 31 May 22)	1,861,975	+681,072
China Passenger Car Sales (unit, 31 May 22)	1,622,879	+657,759
China Commercial Car Sales (unit, 31 May 22)	239,096	+23,313
US Unemployment Rate (% May)	3.6%	0
US Non-Farm Payroll (May)	390,000	-46,000
Japan Unemployment Rate (% Apr)	2.5	-0.1
Japan Manufacturing PMI (Apr)	53.3	-0.1
Japan Tankan Large Manufacturing (1Q)	+14	-3
China Manufacturing PMI (May)	49.6	+2.2
China GDP 1Q (%)	+4.8	+0.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	135.02	+0.61
EUR/USD	1.0499	-0.0020
GBP/USD	1.2241	-0.0074
USD/CHF	0.9699	-0.0181
AUD/USD	0.6932	-0.0307
USD/CNY	6.7167	+0.0076
USD/INR	78.075	+0.235
USD/SGD	1.3905	+0.0026
USD/MYR	4.4020	+0.0005
USD/THB	35.223	+0.491
USD/IDR	14,825	+272
USD/VND	23,231	+53

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	25,963.00	-1,861.29
TOPIX Japan	1,835.90	-107.19
Dow Jones US	29,888.78	-1,504.01
S&P 500 US	3,674.84	-226.02
Nasdaq US	10,798.35	-541.67
CSI 300 China	4,309.04	+70.05
Shanghai China	3,316.79	+31.96
HSI Hong Kong	21,075.00	-731.18
STI Singapore	3,098.09	-83.64
KLCI Malaysia	1,456.74	-37.21
SET Thailand	1,559.39	-73.23
IDX Indonesia	6,936.97	-149.68
VSE Vietnam	1,217.30	-66.78

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 22	25,780	-2,070
JPX TOPIX Sep 22	1,821.5	-120.5
JPX NK 400 Sep 22	16,380	-1,115
JPX TSE REIT Sep 22	1,899.0	-84.5
JPX NK 225 VI July 22	24.50	+2.50
JPX JGB 10 Year Sep 22	147.43	-1.58
JPX Gold 1 Kg Apr 23	7,920	+9
JPX Platinum Apr 23	4,011	-46
JPX Silver Apr 23	94.8	+2.1
JPX Palladium Apr 23	8,300	-300
JPX TSR20 Sep 22	217.0	-7.0
JPX Corn May 23	56,000	+160
JPX Dubai Crude Nov 22	84,840	-3,000

Source: JPX

### Rubber Trading – Technical Analysis OSE Nov Futures:

Nov. futures closed lower in response to overseas sell-off and weak global equity markets; the prices shed -9.0 at 255.0. The volume dropped sharply within a narrow trading range. The short-term support is 252.0, followed by firmer support of 240.5. The resistance is 257.8 and 267.3, respectively. The 14-day RSI is now at a neutral level of 53.1%. The 50-day & 100-day moving averages remain up-trend and hovering near crucial support levels. We could expect some consolidation.

### Rubber Trading – SGX SICOM Sept Futures Technical Analysis:

Sept. futures closed lower, -6.1 cents at 161.4 with active trading volume. The contracts were within a tight trading range after a sharp drop in the early week. The prices had moved around the critical support level at 160.0/160.5. Closing below 160.0 could signal further downside. The support is 160.0, followed by 157.6 and 155.0. The resistance is 163.8 and 165.5, and the 14-day RSI is 39.5%. Market sentiment remains weak on fear of global recession and Chinese economy.



Source: Bloomberg



Source: Bloomberg

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