

The Japan Rubber Futures Weekly Report:

15 Aug 2022 – 19 Aug 2022

Note: Japan 2Q GDP +0.5% Q/Q, Annualized +2.2% Q/Q, June Industrial Production +9.2% m/m

Rubber Futures Report:

World rubber futures closed the week lower across all exchanges as new short positions by speculators pushed the prices to the lowest level. This week, there were mountains of bearish news: China reported sluggish economic data, a weaker July Industrial production at 3.8%, and a lower July retail sales +2.75%. In addition to the zero-Covid policy, China is now facing heat waves and drought, which could affect farm production and farmers' lives. China's total vehicle sales fell to 82,235 units in July compared to the previous month of 2,420,058 units. Japan reported an annualized 2Q GDP growth of +2.2%, which was lower than market expectations. OSE rubber futures dropped 1.2%, the SHFE and INE prices fell by 2.4% and 2.5%, respectively, and the SICOM prices were also closed at 3.7% lower. The market outlook remains bearish as the world economy faces a slowdown and fears a possible global recession amid dogged inflation pressure and expectation of further rate hikes by central banks. Rubber prices could be affected by excess supplies and weaker demand caused by global recessions. In other news, the USD strengthened after the Fed's July minutes suggested the expectations of further rate hikes.

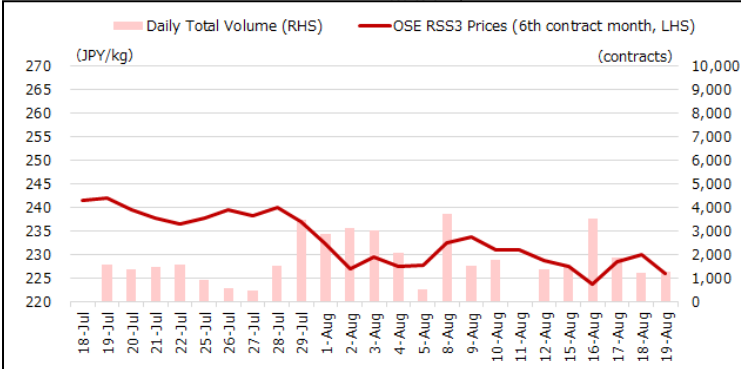
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Aug 22	224.0	-2.9	SCR/RSS Sep22	11,855	-205	Sep 22	146.7	-5.3	RSS3 Dec 22	57.60	+0.60
Sep 22	220.8	-7.9	SCR/RSS Jan23	12,715	-310	Oct 22	144.5	-5.2	RSS3 Jan 23	57.95	+0.70
Oct 22	224.7	-8.3	Total Vol.	1,373,822	+129,617	Nov 22	143.2	-5.5	JRF Dec 22	226.6	-5.2
Nov 22	225.8	-3.6	Total OI	275,244	+7,926	Dec 22	143.2	-5.7	JRF Jan 23	225.8	-5.6
Dec 22	226.3	-3.6	INE TSR Oct 22	10,145	-260	Jan 23	143.4	-5.7	ICEX	Last (INR)	Net
Jan 23	226.0	-2.7	INE TSR Nov 22	10,100	-260	Feb 23	143.8	-5.8	RSS4 Aug 22	Untraded	0
Total Vol.	9,432	+999	Total Vol.	244,775	+34,594	Total Vol.	50,224	+27,919	MCX	Last (INR)	Net
Total OI	9,098	+20	Total OI	91,580	-1,496	Total OI	44,727	-1,268	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, 19 Aug)	284,053	+469
Shanghai INE Rubber Stocks (ton, 19 Aug)	76,779	+594
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 (July)	52.2	-0.5
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	136.97	+3.55
EUR/USD	1.0037	-0.0222
GBP/USD	1.1829	-0.0309
USD/CHF	0.9592	+0.0176
AUD/USD	0.6875	-0.0246
USD/CNY	6.8176	+0.0748
USD/INR	79.7825	+0.1288
USD/SGD	1.3920	+0.0204
USD/MYR	4.4777	+0.0332
USD/THB	35.784	+0.451
USD/IDR	14,838	+170
USD/VND	23,393	-2

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,930.33	+383.35
TOPIX Japan	1,994.52	+21.34
Dow Jones US	33,705.21	-54.31
S&P 500 US	4,228.48	-51.67
Nasdaq US	12,705.21	-341.98
CSI 300 China	4,151.07	-40.08
Shanghai China	3,258.08	-18.81
HSI Hong Kong	19,773.03	-402.59
STI Singapore	3,246.51	-22.76
KLCI Malaysia	1,504.44	-1.75
SET Thailand	1,625.92	+3.66
IDX Indonesia	7,172.43	+43.15
VSE Vietnam	1,269.18	+6.85

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 22	28,930	+390
JPX TOPIX Sep 22	1,995.5	+21.0
JPX NK 400 Sep 22	17,950	+175
JPX TSE REIT Sep 22	2,026.0	+26.0
JPX NK 225 VI Sept 22	20.85	-0.25
JPX JGB 10 Year Sep 22	150.20	-0.06
JPX Gold 1 Kg June 23	7,665	+21
JPX Platinum June 23	3,904	-71
JPX Silver June 23	82.8	-1.3
JPX Palladium June 23	9,400	-300
JPX TSR20 Nov 22	194.0	-1.0
JPX Corn Sept 23	45,800	New
JPX Dubai Crude Jan 23	73,500	-300

Source: JPX

Rubber Trading – Technical Analysis OSE Jan Futures:

OSE active Jan futures dropped JPY 2.7 to JPY 226.0 amid moderate trading volume. All week, the prices were traded within a narrow range under a bearish market sentiment. The prices of all contract months continued to drop, but the front August contracts remained higher than other months though the forward curve slightly steepened and modified to contango. The support is expected at 222.4 and 220.0, and the resistance is 230.0 and 235.3. The prices will likely stay low for a while as there seems to be no good news, and demand remains sluggish.



Source: Bloomberg

Rubber Trading – SGX SICOM Nov Futures Technical Analysis:

SICOM rubber Nov futures closed nearly 3.7% lower to US cents 143.2. The trading was active and increased by around 28,000 contracts from the previous week. There looked to be the liquidation of long positions and stop-loss selling after the prices broke the 145.5 level. The forward curve flattened amid more vital selling of the forward contract months. The 14-day RSI is 26.3%, and the prices could start to recover once they hit bottom. The Nov support is expected at 142.0 and 140.5, and the resistance is 146.0 followed by 149.0.



Source: Bloomberg

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