

# The Japan Rubber Futures Weekly Report:

## 16 May 2022 – 20 May 2022

**Note:** Japan April PPI higher at 10% Year/Year, 1Q GDP -1.0% Annualized, April National Core CPI +2.1% on Year.

### Rubber Futures Report:

Rubber futures prices closed the week higher in all major rubber exchanges. Most prices gained due to short covering amid lighter trading activities, which could explain open interests in all markets fell. China's announcement of lifting the Shanghai lockdown on June 1 had slightly improved market sentiment. According to the CPCA, Chinese vehicle sales increased by 27% in the first two weeks of May compared to April. The prolonged lockdown in China and following poor vehicle sales had given rubber prices a downside pressure to the level of October 2020. OSE rubber futures closed the week +2.2%, while SHFE and INE were +2.2% and 3.2%. SICOM rubber gained nearly 4% with robust physical demand and consumers' willingness to pay premiums for near-month delivery. On global news, Fed Chairman Powell addressed to keep raising interest rates until inflation comes down, which led the US equities to plunge this week sharply. China's surprise announcement of the 15 bps cut on the 5-year loan prime rate (LPR) boosted equities markets in the region on Friday. Turkey showed a negative stance on Finland and Sweden's applications to NATO.

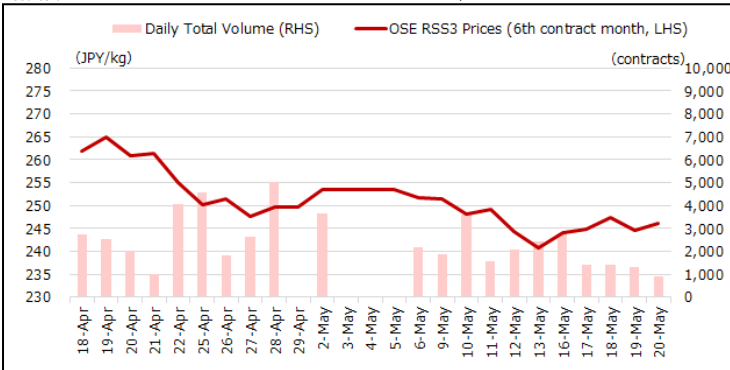
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
May 22	244.5	+2.7	SCR/RSS Sep 22	13,080	+285	Jun 22	163.6	+4.4	RSS3 Sep 22	66.90	-1.60
Jun 22	244.0	+1.9	SCR/RSS Jan 23	14,170	+280	Jul 22	163.6	+5.6	RSS3 Oct 22	66.55	-1.70
Jul 22	241.3	+3.3	<b>Total Vol.</b>	<b>1,808,355</b>	<b>-80,506</b>	Aug 22	163.5	+6.2	JRF Sep 22	246.6	+5.9
Aug 22	242.0	+2.8	<b>Total OI</b>	<b>288,768</b>	<b>-15,574</b>	Sep 22	163.5	+6.4	JRF Oct 22	247.1	+6.1
Sep 22	245.0	+4.9	INE TSR Jul 22	11,205	+345	Oct 22	163.5	+5.7	<b>ICEX Last (INR)</b>	<b>Net</b>	
Oct 22	246.2	+5.3	INE TSR Aug 22	11,250	+335	Nov 22	164.1	+5.5	RSS4 Jun 22	17,839	0
<b>Total Vol.</b>	<b>7,835</b>	<b>-3,738</b>	<b>Total Vol.</b>	<b>202,026</b>	<b>-60,990</b>	<b>Total Vol.</b>	<b>31,844</b>	<b>-9,171</b>	<b>MCX Last (INR)</b>	<b>Net</b>	
<b>Total OI</b>	<b>9,090</b>	<b>-366</b>	<b>Total OI</b>	<b>74,516</b>	<b>-6,703</b>	<b>Total OI</b>	<b>40,349</b>	<b>-66</b>	RSS4 May 22	17,800	+400

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 May)	8,032	-94
Shanghai SHFE Rubber Stocks (ton, 20 May)	269,347	+2,224
Shanghai INE Rubber Stocks (ton, 20 May)	102,393	+5,686
China Vehicle Total Sales (unit, 30 Apr 22)	1,180,903	-1,053,009
China Passenger Car Sales (unit, 30 Apr 22)	965,120	-899,240
China Commercial Car Sales (unit, 30 Apr 22)	215,783	-153,769
US Unemployment Rate (% Apr)	3.6	0.0
US Non-Farm Payroll (Apr)	428,000	0
Japan Unemployment Rate (% Mar)	2.6	-0.1
Japan Manufacturing PMI (Apr)	53.4	+0.2
Japan Tankan Large Manufacturing (1Q)	+14	-3
China Manufacturing PMI (Apr)	47.4	-2.1
China GDP 1Q (%)	+4.8	+0.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	127.88	-1.34
EUR/USD	1.0564	+0.0152
GBP/USD	1.2480	+0.0218
USD/CHF	0.9746	-0.0266
AUD/USD	0.7040	+0.0100
USD/CNY	6.6930	-0.0963
USD/INR	77.5462	+0.0999
USD/SGD	1.3804	-0.0125
USD/MYR	4.3890	-0.0097
USD/THB	34.406	-0.329
USD/IDR	14,642	+29
USD/VND	23,170	+75

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	26,739.03	+311.38
TOPIX Japan	1,877.37	+13.17
Dow Jones US	31,261.90	-934.76
S&P 500 US	3,901.36	-122.53
Nasdaq US	11,354.62	-450.38
CSI 300 China	4,077.60	+89.00
Shanghai China	3,146.57	+62.29
HSI Hong Kong	20,717.24	+818.47
STI Singapore	3,240.58	+49.42
KLCI Malaysia	1,549.12	+4.71
SET Thailand	1,622.95	+38.57
IDX Indonesia	6,918.15	+320.16
VSE Vietnam	1,240.71	+57.94

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 22	26,770	+380
JPX TOPIX Jun 22	1,880.5	+18.5
JPX NK 400 Jun 22	16,935	+170
JPX TSE REIT Jun 22	1,978.0	+11.5
JPX NK 225 VI Jun 22	24.35	-2.15
JPX JGB 10 Year Jun 22	149.78	+0.26
JPX Gold 1 Kg Apr 23	7,567	+46
JPX Platinum Apr 23	3,872	+29
JPX Silver Apr 23	91.1	+4.3
JPX Palladium Apr 23	8,350	-50
JPX TSR20 Aug 22	206.5	+1.5
JPX Corn May 23	57,080	-810
JPX Dubai Crude Oct 22	76,920	+30

Source: JPX

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

OSE Oct futures closed the week at 246.2 (+5.3). The prices kept in positive territory, and the market sentiment seems stable. Oct futures would be traded between 240.5 and 249.6 (100 MA) levels next week unless a further breakout occurs. The support remains crucial at 240.0, and breaking the 240.0 will give a weaker signal, implying a further downside to 235.7 or lower. On the upside, the resistance would be 249.6-250.5 levels. The 14-day RSI is 44.8% and could indicate consolidation (sideways).



Source: Bloomberg

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

SICOM Aug futures closed at 163.5 (+6.2), which showed a relatively strong close after prices hovered below resistance levels at 160.5-161.0 in the early week. The prices could move within a new band of 160.0-166.0 next week, and the resistance would be at 169.5 (Gap). The 14-day RSI is now 48.8%, which seems a neutral level given the recent oversold conditions. The support is at 159.5-160.0, and breaking of 159.5 may signal further downside. The market is still in a bear trend, and we could see new selling near the 169-170 levels.



Source: Bloomberg

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