

# The Japan Rubber Futures Weekly Report:

## 18 July 2022 – 22 July 2022

**Note:** Jibun Bank Japan June PMI Manufacturing 52.2, June CPI +2.4%, Core CPI +2.2%, June Machine Orders +17.1%

### Rubber Futures Report:

World rubber futures closed the week generally lower in mixed trading on major rubber exchanges. OSE rubber futures closed 2% lower with light trading volume. OSE's OI increased amid renewed speculative selling. SHFE futures dropped by 2% due to long liquidation with smaller trading volume, while INE futures rose by 3.3% on short covering. SICOM futures shed 1.1% amid active speculative selling after the price broke the critical support level. A concern of weak rubber demand in China and its ailing economy stemming from lockdowns have put pressure on world rubber prices in recent weeks. However, China's total vehicle sales at the end of June increased by 34.4% to 2.5 million units. The Chinese government showed concern about its 3Q GDP growth and is working hard to push the economy after a miserable 2Q GDP growth outcome of 0.4%. On global news, ECB raised its key interest rate by 0.5 percentile points, the first hike in 11 years. Global equities markets closed higher as the inflation pressure is expected to ease after crude oil and commodities prices fell. The Fed is set to raise the interest rate on 27 July at the FOMC meeting.

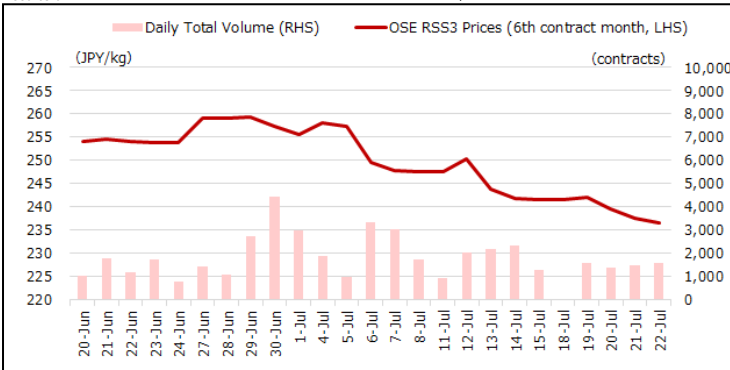
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Jul 22	248.0	-13.0	SCR/RSS Sep22	11,615	-225	Aug 22	155.7	-0.1	RSS3 Nov 22	61.55	+0.1
Aug 22	250.0	-9.5	SCR/RSS Jan23	12,750	-200	Sep 22	151.3	0.0	RSS3 Dec 22	61.70	+0.3
Sep 22	247.7	-5.1	<b>Total Vol.</b>	<b>1,739,829</b>	<b>-734,615</b>	Oct 22	149.5	-1.7	JRF Nov 22	238.4	-4.5
Oct 22	243.9	-4.2	<b>Total OI</b>	<b>286,347</b>	<b>-4,001</b>	Nov 22	148.6	-2.9	JRF Dec 22	236.1	-5.2
Nov 22	238.3	-4.4	INE TSR Sep 22	10,755	+345	Dec 22	148.6	-3.2	<b>ICEX Last (INR)</b>	<b>Net</b>	
Dec 22	236.5	-5.0	INE TSR Oct 22	10,465	+115	Jan 23	148.7	-3.5	RSS4 Jul 22	Untraded	-
<b>Total Vol.</b>	<b>6,018</b>	<b>-2,805</b>	<b>Total Vol.</b>	<b>341,110</b>	<b>-87,571</b>	<b>Total Vol.</b>	<b>45,104</b>	<b>+6,330</b>	<b>MCX Last (INR)</b>	<b>Net</b>	
<b>Total OI</b>	<b>8,552</b>	<b>+807</b>	<b>Total OI</b>	<b>99,178</b>	<b>-4,304</b>	<b>Total OI</b>	<b>46,136</b>	<b>+1,413</b>	RSS4 Jul 22	17,400	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 July)	5,343	-572
Shanghai SHFE Rubber Stocks (ton, 22 July)	278,925	-1,714
Shanghai INE Rubber Stocks (ton, 22 July)	71,418	-3,538
China Vehicle Total Sales (unit, 30 June 22)	2,502,293	+640,318
China Passenger Car Sales (unit, 30 June 22)	2,221,604	+598,725
China Commercial Car Sales (unit, 30 June 22)	280,689	+41,593
US Unemployment Rate (% June)	3.6	0.0
US Non-Farm Payroll (June)	372,000	-12,000
Japan Unemployment Rate (% May)	2.6	+0.1
Japan Manufacturing PMI (June)	52.7	-0.6
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	136.12	-2.45
EUR/USD	1.0213	+0.0133
GBP/USD	1.1999	+0.0144
USD/CHF	0.9629	-0.0143
AUD/USD	0.6929	+0.0136
USD/CNY	6.7515	-0.0057
USD/INR	79.8537	-0.0238
USD/SGD	1.3881	-0.012
USD/MYR	4.4530	+0.0037
USD/THB	36.634	+0.03
USD/IDR	15,014	+17
USD/VND	23,407	+7

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,914.66	+1,126.19
TOPIX Japan	1,955.97	+63.47
Dow Jones US	31,899.29	+611.03
S&P 500 US	3,961.63	+98.47
Nasdaq US	11,834.11	+381.69
CSI 300 China	4,238.23	-10.30
Shanghai China	3,269.97	+41.91
HSI Hong Kong	20,609.14	+311.42
STI Singapore	3,181.34	+82.19
KLCI Malaysia	1,465.80	+47.36
SET Thailand	1,552.73	+19.36
IDX Indonesia	6,886.96	+235.06
VSE Vietnam	1,194.76	+15.51

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 22	27,890	+1,130
JPX TOPIX Sep 22	1,957.5	+69.5
JPX NK 400 Sep 22	17,600	+585
JPX TSE REIT Sep 22	1,979.5	+43
JPX NK 225 VI Aug 22	21.30	-1.0
JPX JGB 10 Year Sep 22	149.75	+0.46
JPX Gold 1 Kg June 23	7,577	-10
JPX Platinum June 23	3,759	+122
JPX Silver June 23	80.5	+0.4
JPX Palladium June 23	8,400	-400
JPX TSR20 Oct 22	203.0	-2.0
JPX Corn July 23	44,030	-2,800
JPX Dubai Crude Dec 22	74,920	+3,840

Source: JPX

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

Dec futures closed 2% lower with light trading volume due to a public holiday on Monday. The total open interest increased amid some fresh selling after Dec futures broke through a critical 240.0 support level. The market seems oversold as the 14-day RSI is at 27.1%. The bearish trend will likely persist with the next support of 225.7, followed by 218.7. The resistance is expected at 244.5 and 251.0 (50-MA). A strong rebound could be seen next week as the current market seems too pessimistic.

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

Oct futures closed 1.7 cents lower at 149.5. The weak close indicates that further losses may be imminent, but the 14-day RSI, 26.0%, represents a grossly oversold condition. A rebound could be imminent as 30% below the 14-day RSI is considered in oversold territory. The support will be 147.6, followed by 144.5, and the resistance will be 152.5 and 155.5. The bear trend will last until Oct futures close above 153.0, but exceeding the level could try to cover a gap of 156.5-158.0 area.



Source: Bloomberg



Source: Bloomberg

## Contact us

### **Kensuke Yazu**

Derivatives Business Development  
Osaka Exchange, Inc.

Tel: +81 (0) 50 3377 8645

Email: [deri-w1@jpx.co.jp](mailto:deri-w1@jpx.co.jp)

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