

The Japan Rubber Futures Weekly Report:

19 Sep 2022 – 23 Sep 2022

Note: Japan National Aug CPI higher +3.0% on year, Nationwide Aug Department Sales +26.1% on Year

Rubber Futures Report:

World rubber futures closed higher for the second consecutive week after facing selling pressure for over two months. There seemed active short-covering trading in the Chinese markets, reflecting the news that Chengdu eased the lockdown and an additional economic stimulus package would be expected at the 20th CPC to be held from Oct. 20th. OSE rubber futures rose 2% amid fewer trading days. SHFE and INE futures increased 1.4% and 1.8%, respectively, and SICOM futures were traded within a tight price range and closed slightly higher. On the physical rubber market, premiums of SIR20 for FOB deliveries shrunk to about 5 US cents per kg though producers are still facing a difficult situation dealing with high raw material prices. As for the exchange warehouse stocks in China, SCR WF/RSS increased by 8,875 tonnes, while TSR20 dropped sharply by 7,439. In world news, the US Fed increased 0.75% on its key FF target rate to 3.00-3.25%, and further rate hike expectations by other central banks caused a sell-out in global equities. The USD surged in response to the rate hike, while the MOF Japan intervened in the FX market on Thursday, aiming to prevent the JPY from further weakening.

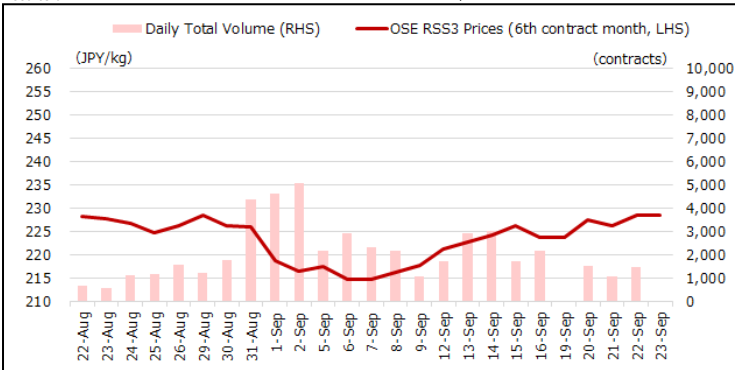
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Sep 22	220.5	+6.1	SCR/RSS Jan23	13,170	+185	Oct 22	133.3	-0.8	RSS3 Jan 23	58.40	+0.75
Oct 22	227.0	+4.1	SCR/RSS May23	12,955	+165	Nov 22	132.8	-0.1	RSS3 Feb 23	58.95	+0.75
Nov 22	228.5	+2.1	Total Vol.	1,587,791	+301,160	Dec 22	132.6	+0.5	JRF Jan 23	225.4	+0.8
Dec 22	229.2	+2.9	Total OI	248,918	-3,115	Jan 23	132.8	+0.2	JRF Feb23	225.3	+1.9
Jan 23	229.0	+4.2	INE TSR Nov 22	9,790	+175	Feb 23	133.4	+0.2	ICEX	Last (INR)	Net
Feb 23	228.6	+4.7	INE TSR Dec 22	9,820	+150	Mar 23	133.5	-0.4	RSS4 Sep 22	Untraded	0
Total Vol.	4,118	-7,535	Total Vol.	272,165	+70,563	Total Vol.	37,707	-10,435	MCX	Last (INR)	Net
Total OI	10,241	-100	Total OI	94,885	-5,872	Total OI	49,610	+1,731	RSS4 Sep 22	16,200	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 Sep)	3,915	-67
Shanghai SHFE Rubber Stocks (ton, 23 Sept)	302,561	+8,875
Shanghai INE Rubber Stocks (ton, 23 Sept)	59,523	-7,439
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	+0.0
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	143.31	+0.39
EUR/USD	0.9687	-0.0329
GBP/USD	1.0859	-0.0561
USD/CHF	0.9818	+0.0169
AUD/USD	0.6528	-0.0188
USD/CNY	7.1284	+0.1414
USD/INR	80.99	+1.245
USD/SGD	1.4309	+0.0239
USD/MYR	4.5787	+0.0437
USD/THB	37.565	+0.727
USD/IDR	15,038	+83
USD/VND	23,702	+50

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,153.83	-413.82
TOPIX Japan	1,916.12	-22.44
Dow Jones US	29,590.41	-1,232.01
S&P 500 US	3,693.23	-180.10
Nasdaq US	10,867.93	-580.47
CSI 300 China	3,856.02	-76.66
Shanghai China	3,088.37	-38.03
HSI Hong Kong	17,933.27	-828.42
STI Singapore	3,227.10	-41.19
KLCI Malaysia	1,424.98	-42.33
SET Thailand	1,631.71	+1.31
IDX Indonesia	7,178.58	+9.71
VSE Vietnam	1,203.28	-30.75

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 22	27,030	-320
JPX TOPIX Dec 22	1,900.5	-17.5
JPX NK 400 Dec 22	17,095	-165
JPX TSE REIT Dec 22	2,005.0	-18.0
JPX NK 225 VI Oct 22	22.15	+0.20
JPX JGB 10 Year Dec 22	148.69	+0.21
JPX Gold 1 Kg Aug 23	7,717	+70
JPX Platinum Aug 23	4,013	+64
JPX Silver Aug 23	88.5	+2.6
JPX Palladium Aug 23	9,900	+50
JPX TSR20 Dec 22	189.2	+1.5
JPX Corn Sept 23	50,770	+730
JPX Dubai Crude Feb 23	71,880	-100

Source: JPX

Rubber Trading – Technical Analysis on the OSE Feb-23 Contracts:

Active Feb-23 contracts closed JPY 4.7 higher at JPY 228.6 on Thursday as Friday was a national holiday. The prices continued to trade higher with active overseas buying after recovering from oversold conditions. The resistance remained at 230.0 (50-day MA); closing above 230.0 could trigger further upside momentum. The support is at 218.8 and 214.0, and the resistance is 230.0 and 235.8. The 14-day RSI is 47.9. The prices could be less volatile ahead of China's long vacation season.



Source: Bloomberg

Rubber Trading – Technical Analysis on the SICOM Dec-23 contracts:

Dec-23 contracts closed almost unchanged amid quiet trading. Though OI increased by 1,731 contracts due to fresh buying, the prices fluctuated within a narrow range. The trading volume sharply fell as traders lacked confidence in the market direction without market support news. Physical premiums narrowed to less than 5 US cents per kg, and back-months contracts showed slight contango conditions. The RSI is 39.2%, and the target price range is between 130.0 and 134.0, meaning that closing above 134.0 could trigger upside buying.



Source: Bloomberg

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