

The Japan Rubber Futures Weekly Report:

24 Oct 2022 – 28 Oct 2022

Note: Jibun Bank Japan PMI Manufacturing in Oct 50.7, Sept Jobless rate 2.6%, Tokyo CPI at 3.5% on year.

Rubber Futures Report:

World rubber futures closed the week sharply lower across all major rubber exchanges. The news of the newly introduced lockdown in 28 cities in China, which affected nearly 210 million citizens, accelerated bearish market sentiment. The new omicron variants of BF.7 and BA.5 caused a sharp drop in the Chinese equity market, putting rubber prices under further downside pressure. Japan OSE rubber futures fell 5%, while SHFE and INE futures dropped 3.2% and 3.0%, respectively. SICOM futures slipped by 4.4% with facing speculative selling pressure. The rubber futures prices have been under intense selling pressure in recent months amid concerns about oversupply and weaker demand from major consuming countries such as China. Japan reported a bit higher unemployment rate at 2.6% in September, while Manufacturing PMI for October was the weaker number at 50.7. The BOJ announced no changes in its ultra-loose monetary policy on Friday. In China, the GDP growth rate in 3Q was +3.9%, higher than the market expectation of +3.5%. In other world news, US stocks closed higher for the second consecutive week amid the mixed earnings announcements of big tech companies. The ECB raised interest rates by 0.75 percentage points for the second consecutive meeting to curb inflation.

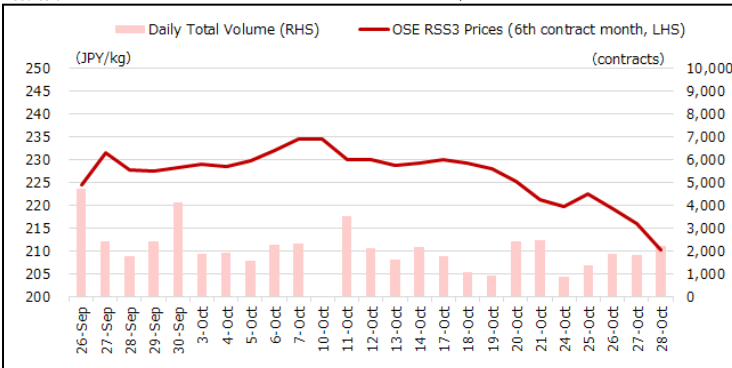
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Nov 22	214.4	-8.8	SCR/RSS Jan23	11,975	-390	Nov 22	117.3	-7.5	RSS3 Feb 23	54.75	-2.35
Dec 22	211.5	-10.7	SCR/RSS May23	12,015	-425	Dec 22	118.7	-5.3	RSS3 Mar 23	55.55	-2.35
Jan 23	211.6	-10.3	Total Vol.	1,383,178	+12,759	Jan 23	118.4	-5.4	JRF Feb 23	209.6	-12.6
Feb 23	210.1	-11.2	Total OI	321,509	+18,088	Feb 23	118.2	-5.7	JRF Mar23	209.3	-12.3
Mar 23	210.1	-11.1	INE TSR Dec 22	9,165	-280	Mar 23	118.2	-5.7	ICEX	Last (INR)	Net
Apr 23	210.4	-10.6	INE TSR Jan 23	9,040	-395	Apr 23	118.2	-5.9	RSS4 Nov 22	Untraded	0
Total Vol.	8,196	-506	Total Vol.	342,186	+67,099	Total Vol.	36,278	-3,843	MCX	Last (INR)	Net
Total OI	9,078	-40	Total OI	94,535	-1,568	Total OI	49,903	+3,319	RSS4 Nov 22	16,300	untraded

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 Oct)	4,308	+210
Shanghai SHFE Rubber Stocks (ton, 28 Oct)	312,807	+267
Shanghai INE Rubber Stocks (ton, 28 Oct)	42,406	-7,338
China Vehicle Total Sales (unit, 30 Sept 22)	2,613,025	+229,671
China Passenger Car Sales (unit, 30 Sept 22)	2,331,769	+206,509
China Commercial Car Sales (unit, 30 Sept 22)	278,556	+20,462
US Unemployment Rate (% Sep)	3.5	-0.2
US Non-Farm Payroll (Sep)	263,000	-52,000
Japan Unemployment Rate (% Sept)	2.6	+0.1
Japan Manufacturing PMI (Oct)	50.7	-0.1
Japan Tankan Large Manufacturing (3Q)	8	-1
China Manufacturing PMI (Sep)	50.1	+0.7
China GDP 3Q (%)	+3.9	+3.5

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	147.60	-0.05
EUR/USD	0.9965	+0.0103
GBP/USD	1.1615	+0.0312
USD/CHF	0.9958	-0.0020
AUD/USD	0.6411	+0.0032
USD/CNY	7.2524	+0.0218
USD/INR	82.475	-0.21
USD/SGD	1.4108	-0.0044
USD/MYR	4.725	-0.0137
USD/THB	37.947	-0.077
USD/IDR	15,554	-78
USD/VND	24,827.7	+158.7

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,105.20	+214.62
TOPIX Japan	1,899.05	+17.07
Dow Jones US	32,861.80	+1,779.24
S&P 500 US	3,901.06	+148.31
Nasdaq US	11,102.45	+242.73
CSI 300 China	3,541.33	-201.56
Shanghai China	2,915.93	-123.0
HSI Hong Kong	14,863.06	-1,348.06
STI Singapore	3,059.19	+89.24
KLCI Malaysia	1,447.31	+0.89
SET Thailand	1,606.07	+14.75
IDX Indonesia	7,056.04	+38.27
VSE Vietnam	1,027.36	+7.54

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 22	27,010	+110
JPX TOPIX Dec 22	1,886.5	+1.0
JPX NK 400 Dec 22	16,975	+65
JPX TSE REIT Dec 22	1,960.0	+105.5
JPX NK 225 VI Nov 22	22.40	-0.3
JPX JGB 10 Year Dec 22	148.77	+1.17
JPX Gold 1 Kg Aug 23	7,790	-20
JPX Platinum Aug 23	4,328	+135
JPX Silver Aug 23	89.6	+1.6
JPX Palladium Aug 23	9,300	-700
JPX TSR20 Jan 23	174.0	-11.0
JPX Corn Nov 23	49,700	-1,250
JPX Dubai Crude Mar 23	75,580	+820

Source: JPX

Technical Analysis on the OSE Mar-23 Contracts:

OSE's active Mar-2023 contract sharply dropped JPY 11.1 to 210.1 under moderate trading volume, and the open interest decreased marginally. Bearish market sentiment continued, and the price dipped to the oversold condition of 27.5% on the 14-day RSI. The price hit a multi-year low, and no clear support level was observed. The resistance level will be 224.6 and 231.0, while 208.0 and 204.0 could become the support level. The price is likely to consolidate at the current range next week. The new active trading month will be April-23 contracts.



Source: Bloomberg

Technical Analysis on the SGX SICOM Jan-23 Contracts:

SICOM's Jan-2023 contract sharply shed 5.4 cents to 118.4, and the price dipped under a new multi-year low. Further speculative selling pressure caused spiral liquidation of long positions. Although the price was in a massive oversold condition, with an RSI of 18.8%, market sentiment will likely remain bearish, and the price rebound will be a short-lived move. The support level will be 115.0 and 112.0, while the resistance level will be 129.0 and 132.6.



Source: Bloomberg

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