

The Japan Rubber Futures Weekly Report:

25 July 2022 – 29 July 2022

Note: Tokyo July CPI +2.5% y/y, June Jobless rate 2.6%, Job to Applicant Ratio 1.27, Retail Sales lower at +1.5% y/y

Rubber Futures Report:

World rubber futures closed the week generally higher in most major exchanges. OSE Dec futures were marginally lower amid fresh buying under smaller trading volume. The prices of SHFE and INE were up 5.1% and 1.8%, respectively, with massive short covering representing the sharp fall in open interest. SICOM rubber futures increased by 1.7% amid some arbitrage trading under light trading volume. The tight physical market and high raw material prices remain the near-month contracts at a premium, and forward-month contracts were flat or in backwardation. Rubber prices will likely hold steady or recover a bit from current oversold market conditions amid China's sluggish economy. On Global economic news, Japan's June jobless rate was 2.6%, unchanged from May. The Fed's 75 bps hikes of interest rate at the FOMC meeting were within market expectation. The Fed Funds rate now stands at 2.25-2.50% and the next meeting is scheduled on 20-21 Sept. The US seems technically in recession as 2Q GDP growth became -0.9%, and 1Q GDP was revised to -1.6%. Tension rose as the US House speaker Nancy Pelosi's forthcoming Asia trip, including a Taiwan visit.

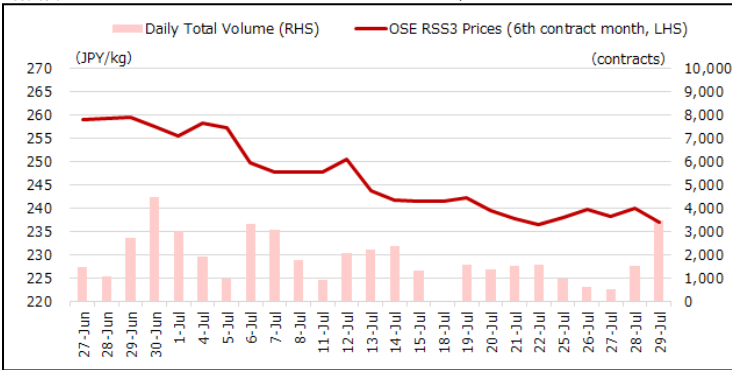
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Aug 22	251.8	+1.8	SCR/RSS Sep22	12,215	+600	Aug 22	159.0	Expired	RSS3 Dec 22	62.80	+1.10
Sep 22	249.0	+1.3	SCR/RSS Jan23	13,210	+460	Sep 22	153.8	+2.5	RSS3 Jan 23	62.95	+1.15
Oct 22	248.7	+4.8	Total Vol.	1,868,137	+128,308	Oct 22	152.0	+2.5	JRF Dec 22	238.5	+2.4
Nov 22	238.7	+0.4	Total OI	259,257	-27,090	Nov 22	152.0	+3.4	JRF Jan 23	238.5	+2.5
Dec 22	236.0	-0.5	INE TSR Oct 22	10,655	+190	Dec 22	152.2	+3.6	ICEX Last (INR)	Net	
Jan 23	237.0	+0.5	INE TSR Nov 22	10,590	+190	Jan 23	152.6	+3.9	RSS4 Aug 22	Untraded	0
Total Vol.	7,049	+1,031	Total Vol.	335,590	-5,520	Total Vol.	29,278	-15,826	MCX Last (INR)	Net	
Total OI	9,001	+449	Total OI	84,243	-14,935	Total OI	48,149	+2,013	RSS4 Aug 22	17,200	-200

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 July)	4,821	-522
Shanghai SHFE Rubber Stocks (ton, 29 July)	278,449	-475
Shanghai INE Rubber Stocks (ton, 29 July)	74,442	+3,024
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 (% June)	2.6	0.0
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	133.27	-2.85
EUR/USD	1.0220	+0.0007
GBP/USD	1.2171	+0.0172
USD/CHF	0.9524	-0.0105
AUD/USD	0.6985	+0.0056
USD/CNY	6.7445	-0.0070
USD/INR	79.2625	-0.5912
USD/SGD	1.3805	-0.0076
USD/MYR	4.4508	-0.0022
USD/THB	36.323	-0.311
USD/IDR	14,834	-180
USD/VND	23,343	-64

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,801.64	-113.02
TOPIX Japan	1,940.31	-15.66
Dow Jones US	32,845.13	+945.84
S&P 500 US	4,130.29	+168.66
Nasdaq US	12,390.69	+556.58
CSI 300 China	4,170.10	-68.13
Shanghai China	3,253.24	-16.73
HSI Hong Kong	20,156.51	-452.63
STI Singapore	3,211.56	+30.22
KLCI Malaysia	1,492.23	+26.43
SET Thailand	1,576.41	+23.68
IDX Indonesia	6,951.13	+64.17
VSE Vietnam	1,206.33	+11.57

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 22	27,750	-140
JPX TOPIX Sep 22	1,937.5	-20.0
JPX NK 400 Sep 22	17,450	-150
JPX TSE REIT Sep 22	2,010.0	+30.5
JPX NK 225 VI Aug 22	20.40	-0.90
JPX JGB 10 Year Sep 22	150.51	+0.76
JPX Gold 1 Kg June 23	7,526	-51
JPX Platinum June 23	3,776	+17
JPX Silver June 23	83.3	+2.8
JPX Palladium June 23	8,900	+500
JPX TSR20 Oct 22	202.0	-1.0
JPX Corn July 23	46,110	+2,080
JPX Dubai Crude Dec 22	74,690	-230

Source: JPX

Rubber Trading – Technical Analysis OSE Dec Futures:

OSE active Dec futures closed the week JPY -0.5 lower at 236.0. The price remained downward within a tight trading range amid light trading volume. OI increased by 449 lots, and the volume on Friday recorded 3,482 lots, larger than normal conditions, which indicated new buying activities. The market suggests no clear directions, but a further downside risk seems limited as the current level shows the oversold condition with a 14-day RSI of 31%. Dec futures support is 233.5 then 230.0, and the resistance is 240.0 then 247.5.



Source: Bloomberg

Rubber Trading – SGX SICOM Oct Futures Technical Analysis:

Oct rubber futures closed +2.5 cents/kg at 152.0. Trading was generally quiet within a narrow trading range. Weekly volume fell 15,826, but OI increased by 2,013, indicating fresh buying. New arbitrage buying could be expected as futures prices are at a steep discount compared to physical SIR20 prices, and that will keep futures prices steady. The expired Aug futures settled at 159.0 on Friday. The support is 150.0, followed by 148.3, and the resistance is 154.5 and 157.0. The 14-day RSI is still low at 36.8% but not in an oversold condition.



Source: Bloomberg

Contact us

Kensuke Yazu

Derivatives Business Development
Osaka Exchange, Inc.

Tel: +81 (0) 50 3377 8645

Email: deri-w1@jpx.co.jp

Disclaimer

The copyrights for this document belong to Japan Exchange Group ("JPX"), and part or all of this document shall not be reproduced, republished, uploaded, linked, posted, transmitted, adapted, copied, translated, modified, edited, or otherwise displayed or distributed in any manner without JPX's prior consent.

This document is not an offer or solicitation to buy or sell, nor financial advice or recommendation for any investment product. This document is for the general circulation of the overview of JPX's futures markets only. It does not address any person's specific investment objectives, financial situation, or particular needs. Advice should be sought from a financial adviser regarding the suitability of any investment product before investing or adopting any investment strategies. Use of and/or reliance on this document is entirely at the reader's own risk. Investment products are subject to significant investment risks, including the possible loss of the principal amount invested. The past performance of investment products is not indicative of their future performance. The examples provided are for illustrative purposes only.

A designated person/company has compiled the information contained in this document from sources believed to be reliable. Still, no representation or warranty, express or implied, is made by JPX and the person/company as to its fairness, accuracy, completeness, or correctness. JPX shall not be responsible or liable, whether, under contract, tort including negligence or otherwise, for any loss or damage of any kind, whether direct, indirect, or consequential losses or other economic loss of any kind, including without limitation loss of profit, loss of reputation and loss of opportunity suffered or incurred by any person due to any omission, error, inaccuracy, incompleteness, or otherwise, any reliance on such information, or arising from and/or in connection with this document.