

The Japan Rubber Futures Weekly Report:

26 Sep 2022 – 30 Sep 2022

Note: Japan Aug Jobless rate at 2.5%, Aug Industrial Production 2.7%, Aug Retail Sales stronger at 4.1%

Rubber Futures Report:

World rubber futures closed with no clear directions under moderate transactions. OSE's RSS dropped 1.0% with relatively active trading compared with the previous week. SHFE and INE prices increased 0.2% and 2.0%, respectively, under large liquidation of positions ahead of the long Golden Week holidays. The open interest of SHFE fell by 23,000 contracts, and that of INE dropped by 11,000. SICOM futures were up by 1.5% with moderate trading activities. China reported a surprisingly strong Sept Manufacturing PMI of 50.1, and the expectations about the forthcoming 20th CPC conference might have prompted speculative buying and short covering in the market. In world news, the Ukraine war turned to a new phase as Russia announced annexing four eastern regions in Ukraine and mobilizing more soldiers. Global equities shed due to the fear of recession arising from further interest rate hikes by major central banks. The US Job reports and the CPI to be published next week will test the level of rate hikes at the next FOMC meeting on November 2nd. The USD remained strong, reflecting the 10-year treasury yields hovering above 3.7%. Chinese markets will close next week and resume on October 10th.

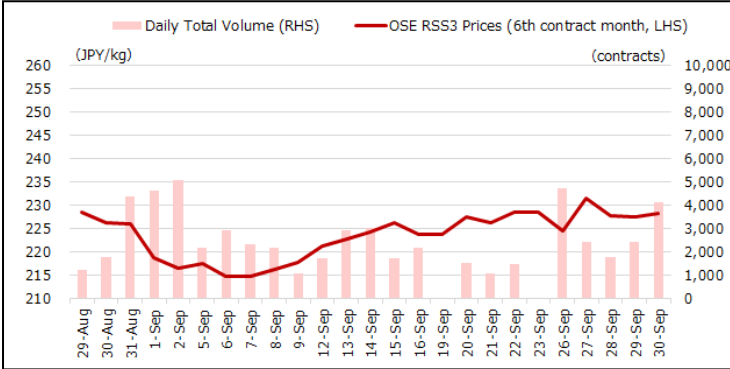
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Oct 22	226.0	-1.0	SCR/RSS Jan23	13,200	+30	Oct 22	134.9	Expired	RSS3 Jan 23	58.45	+0.05
Nov 22	227.5	-1.0	SCR/RSS May23	13,100	+145	Nov 22	135.0	+2.2	RSS3 Feb 23	58.80	-0.15
Dec 22	227.8	-1.4	Total Vol.	1,554,705	-33,086	Dec 22	134.6	+2.0	JRF Jan 23	227.2	+1.8
Jan 23	226.6	-2.4	Total OI	225,552	-23,366	Jan 23	134.8	+2.0	JRF Feb23	227.0	+1.7
Feb 23	226.4	-2.2	INE TSR Nov 22	10,005	+215	Feb 23	134.9	+1.5	ICEX	Last (INR)	Net
Mar 23	228.3	-1.2	INE TSR Dec 22	10,005	+185	Mar 23	135.3	+1.8	RSS4 Sep 22	Untraded	+0
Total Vol.	15,524	+11,406	Total Vol.	336,872	+64,707	Total Vol.	41,846	+4,139	MCX	Last (INR)	Net
Total OI	9,937	-304	Total OI	83,846	-11,039	Total OI	46,740	-2,870	RSS4 Oct 22	16,300	+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, 20 Sept)	4,199	+284
Shanghai SHFE Rubber Stocks (ton, 30 Sept)	306,262	+3,701
Shanghai INE Rubber Stocks (ton, 30 Sept)	56,297	-3,226
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 (% Aug)	2.5	-0.1
Japan Manufacturing PMI (Aug)	51.0	-1.1
Japan Tankan Large Manufacturing (2Q)	+9	-5
China Manufacturing PMI (Sept)	50.1	+0.7
China GDP 2Q (%)	+0.4	-4.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	144.74	+1.43
EUR/USD	0.9802	+0.0115
GBP/USD	1.1170	+0.0311
USD/CHF	0.9870	+0.0052
AUD/USD	0.6400	-0.0128
USD/CNY	7.1159	-0.0125
USD/INR	81.3488	+0.3588
USD/SGD	1.4353	+0.0044
USD/MYR	4.6375	+0.0588
USD/THB	37.847	+0.282
USD/IDR	15,227	+189
USD/VND	23,861	+159

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	25,937.21	-1,216.62
TOPIX Japan	1,835.94	-80.18
Dow Jones US	28,725.51	-864.90
S&P 500 US	3,585.62	-107.61
Nasdaq US	10,575.62	-292.31
CSI 300 China	3,804.89	-51.13
Shanghai China	3,024.39	-63.98
HSI Hong Kong	17,222.83	-710.44
STI Singapore	3,130.24	-96.86
KLCI Malaysia	1,394.63	-30.35
SET Thailand	1,589.51	-42.20
IDX Indonesia	7,040.80	-137.78
VSE Vietnam	1,132.11	-71.17

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 22	25,940	-1,090
JPX TOPIX Dec 22	1,836.0	-64.5
JPX NK 400 Dec 22	16,470	-625
JPX TSE REIT Dec 22	1,937.0	-68.0
JPX NK 225 VI Oct 22	25.10	+2.95
JPX JGB 10 Year Dec 22	148.30	-0.39
JPX Gold 1 Kg Aug 23	7,726	+9
JPX Platinum Aug 23	3,921	-92
JPX Silver Aug 23	85.7	-2.8
JPX Palladium Aug 23	9,900	+0
JPX TSR20 Dec 22	191.0	+1.8
JPX Corn Sept 23	50,180	-590
JPX Dubai Crude Feb 23	69,910	-1,970

Source: JPX

Technical Analysis on the OSE Feb-23 Contracts:

OSE's Feb-23 contracts closed JPY 2.2 lower at JPY 226.4. Trading was relatively active, with an average daily volume of 3,105 contracts, and there seemed to be light liquidation as the open interest fell by 304 contracts. The support is 221.5 and 218.8, and the resistance is 230.0 and 234.0. If the prices close above the 230.0 level, there could be further upside momentum. The new active month from the next week, Mar-23 contracts, closed at 228.3. Due to China's one-week holiday next week, the OSE rubber markets will hardly find clear price directions.



Source: Bloomberg

Technical Analysis on the SICOM Dec-23 Contracts:

SICOM's Dec-23 contracts closed 2 US cents higher at 134.6. The prices increased in the third consecutive week, showing a gradual improvement in market sentiment. The strong resistance remained at 134.5 to 135.0, and closing above 135.0 will likely indicate the recovery to the 139-140 levels. The support is 130.5 to 131.0, and the resistance is 135.0, followed by 139.0. China's long holidays next week would keep the prices sideways with inactive market transactions.



Source: Bloomberg

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