

The Japan Rubber Futures Weekly Report:

30 May 2022 – 03 June 2022

Note: Japan April Jobless Rate 2.5%, April Retail Sales higher 2.9%, April Ind. Production -1.3%, May Vehicle Sales -16.7%

Rubber Futures Report:

World rubber futures prices closed the week higher in all major exchanges in favour of China's lifting of the lockdown in Shanghai from 1 June. There seems optimism that demand for rubber will increase as investors expect that vehicle sales in China will double in June, and tire manufacturers are swinging back to full operation. Logistic backlog and supply chain disruptions could recover when port services return to normal operations. OSE rubber futures rallied 4.8% in active trading while prices at SHFE and INE rose 0.6% and 1.9%, respectively. SICOM rubber futures were up 2.4% with new buying interest and strong demand for physical rubber.

Regarding global economic news, Japan's Jobless rate improved by 0.1% to 2.5% in April, while May vehicle sales fell 16.7%. US May Unemployment rate was unchanged at 3.6%, whereas Nonfarm payroll showed a robust number at 390,000. US equities dropped in light of these outcomes, and 10-year UST yields climbed to nearly 3%. Saint Louis Fed President Bullard urged policymakers for a more aggressive rate hike to prevent further inflation risk. JP Morgan CEO Jamie Dimon addressed that investor must brace for an "economic hurricane" at a financial conference in NY. The war in Ukraine continued into its 100th day and seemed to have no sign of abating.

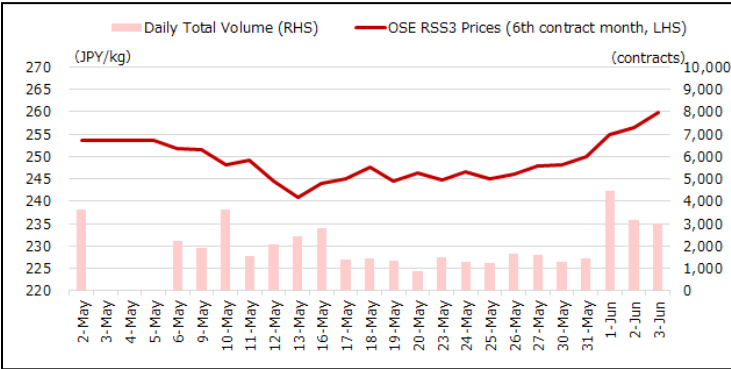
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Jun 22	257.3	+9.3	SCR/RSS Sep22	13,320	+85	Jun 22	166.8	Expired	RSS3 Oct 22	69.30	+2.20
Jul 22	254.0	+11.6	SCR/RSS Jan23	14,445	+140	Jul 22	168.4	+4.0	RSS3 Nov 22	68.95	+1.85
Aug 22	255.5	+11.1	Total Vol.	1,477,677	-335,792	Aug 22	168.4	+4.0	JRF Oct 22	254.5	+9.3
Sep 22	256.5	+10.8	Total OI	303,732	+5,915	Sep 22	168.8	+3.9	JRF Nov 22	256.0	+8.9
Oct 22	258.0	+11.7	INE TSR Aug 22	11,645	+220	Oct 22	169.2	+4.2	ICEX	Last (INR)	Net
Nov 22	259.8	+12.0	INE TSR Sep 22	11,650	+195	Nov 22	169.4	+3.7	RSS4 Jun 22	Untraded	0
Total Vol.	13,404	+6,162	Total Vol.	208,228	-39,607	Total Vol.	28,957	+4,136	MCX	Last (INR)	Net
Total OI	8,884	+263	Total OI	73,033	+2,396	Total OI	38,912	+775	RSS4 Jun 22	17,500	-352

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 May)	7,542	-490
Shanghai SHFE Rubber Stocks (ton, 3 June)	275,126	+2,998
Shanghai INE Rubber Stocks (ton, 3 June)	98,139	-1,512
China Vehicle Total Sales (unit, 30 Apr 22)	1,180,903	-1,053,009
China Passenger Car Sales (unit, 30 Apr 22)	965,120	-899,240
China Commercial Car Sales (unit, 30 Apr 22)	215,783	-153,769
US Unemployment Rate (% May)	3.6	0.0
US Non-Farm Payroll (May)	390,000	-46,000
Japan Unemployment Rate (% Apr)	2.5	-0.1
Japan Manufacturing PMI (Apr)	53.3	-0.1
Japan Tankan Large Manufacturing (1Q)	+14	-3
China Manufacturing PMI (May)	49.6	+2.2
China GDP 1Q (%)	+4.8	+0.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	130.88	+3.77
EUR/USD	1.0719	-0.0016
GBP/USD	1.2488	-0.0143
USD/CHF	0.9621	+0.0053
AUD/USD	0.7207	+0.0045
USD/CNY	6.6603	-0.0391
USD/INR	77.6313	+0.0613
USD/SGD	1.3761	+0.0069
USD/MYR	4.3890	+0.0103
USD/THB	34.375	+0.241
USD/IDR	14,433	-134
USD/VND	23,197	-3

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,761.57	+979.89
TOPIX Japan	1,933.14	+45.84
Dow Jones US	32,899.70	-312.98
S&P 500 US	4,108.54	-49.70
Nasdaq US	12,012.73	-118.40
CSI 300 China	4,089.57	+88.27
Shanghai China	3,195.46	+65.22
HSI Hong Kong	21,082.13	+384.77
STI Singapore	3,231.97	+1.42
KLCI Malaysia	1,537.83	-8.93
SET Thailand	1,647.67	+8.92
IDX Indonesia	7,182.96	+156.70
VSE Vietnam	1,287.98	+2.53

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 22	27,790	+980
JPX TOPIX Jun 22	1,933.5	+44.5
JPX NK 400 Jun 22	17,410	+375
JPX TSE REIT Jun 22	2,005.0	+22.0
JPX NK 225 VI Jun 22	20.80	-2.10
JPX JGB 10 Year Jun 22	149.86	-0.09
JPX Gold 1 Kg Apr 23	7,776	+244
JPX Platinum Apr 23	4,139	+338
JPX Silver Apr 23	94.3	+3.6
JPX Palladium Apr 23	8,600	+250
JPX TSR20 Sep 22	217.0	+9.0
JPX Corn May 23	52,640	-900
JPX Dubai Crude Oct 22	82,300	+3,000

Source: JPX

Rubber Trading – Technical Analysis OSE Nov futures:

The new active Nov futures closed higher at 259.8 (+12.0) with improved trading volume. Increasing open interest showed new buying demand from investors. The upward trend of all moving averages indicates further upside of the prices. The first support is 251.3 (100 MA), and the critical support remains 240.5. The resistance is 265.6, followed by 269.2, the previous high price. The prices seem to trend higher with an occasional pullback on profit-taking. The 14-day RSI records 64.2% now.



Source: Bloomberg

Rubber Trading – SGX SICOM Aug futures Technical Analysis:

SICOM Aug futures closed four cents higher this week with relatively improved trading volume. As new speculative buying and profit-taking of long positions were mixed, the trading was within a limited range between 165 and 168.7. The support is 165.0, followed by 161.5. The resistance is 168.7-169.5 (gap), followed by 174.9. The 14-day RSI is 60.1%, and there is still room on the upside. A break and close above 170.0 could bring prices higher to 174/175 levels.



Source: Bloomberg

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