

The Japan Rubber Futures Weekly Report:

31 Oct 2022 – 04 Nov 2022

Note: Japan Sept Industrial Production weaker -1.6%, Sept Retail Sales +1.1%, Oct PMI Manufacturing 50.7

Rubber Futures Report:

World rubber futures closed higher this week amid short covering and new buying after the prices hit multi-year lows. The rumor that China would ease the lockdown and re-opening the market spurred a rally in mainland stock markets, leading to an invert to the rubber price sentiment. All major rubber futures prices increased from last week; 1.5% for OSE, 2% for SHFE, 4% for INE, and 5% for SICOM. In recent months, rubber prices have suffered downward pressure due to multiple concerns about the supply chain, global recessions, weaker China's demand for tires, the slower Chinese economy, and the USD appreciation stemming from the Fed's interest rate raises. The Fed raised the Fed Funds rate on Wednesday by an additional 0.75 percentage point to the 3.75-4% target range. China's Manufacturing PMI in October was reported at 49.2, weaker than the market expectation. In other news, the US unemployment rate in October was recorded at 3.7% (+0.2%), while the non-Farm payroll beat the market expectation at 261,000 new jobs. The market will likely remain choppy until the market confirms the direction of the US CPI on Thursday, expecting +0.7% MoM and +8.0% YoY.

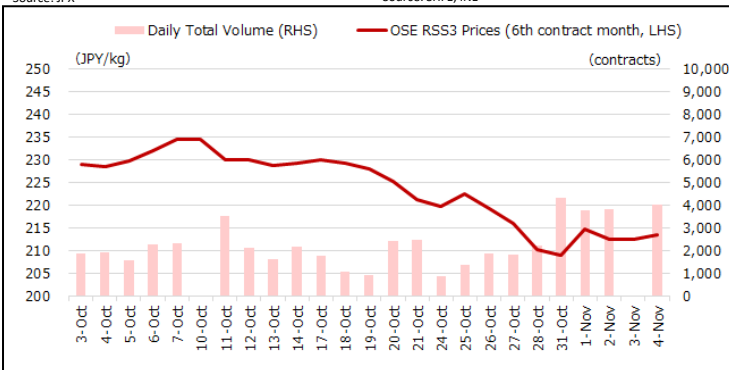
| OSE RSS3 | Last (JPY) | Net | SHFE/INE | Last (CNY) | Net | SICOM TSR20 | Last (USc) | Net | TFEX | Last (THB) | Net |
|-------------------|---------------|---------------|-------------------|------------------|-----------------|-------------------|---------------|----------------|-------------|-------------------|------------|
| Nov 22 | 216.0 | +1.6 | SCR/RSS Jan23 | 12,220 | +245 | Nov 22 | 115.1 | Expired | RSS3 Mar 23 | 51.90 | -3.65 |
| Dec 22 | 214.2 | +2.7 | SCR/RSS May23 | 12,120 | +105 | Dec 22 | 124.9 | +6.2 | RSS3 Apr 23 | 52.75 | -3.95 |
| Jan 23 | 215.5 | +3.9 | Total Vol. | 1,846,589 | +463,411 | Jan 23 | 124.3 | +5.9 | JRF Mar 23 | 214.8 | +5.5 |
| Feb 23 | 215.6 | +5.5 | Total OI | 313,942 | -7,567 | Feb 23 | 124.0 | +5.8 | JRF Apr 23 | 213.0 | +1.7 |
| Mar 23 | 214.9 | +4.8 | INE TSR Jan 23 | 9,400 | +360 | Mar 23 | 123.8 | +5.6 | ICEX | Last (INR) | Net |
| Apr 23 | 213.5 | +3.1 | INE TSR Feb 23 | 9,350 | +305 | Apr 23 | 124.2 | +6.0 | RSS4 Nov 22 | Untraded | 0 |
| Total Vol. | 16,021 | +7,825 | Total Vol. | 332,498 | -9,688 | Total Vol. | 46,497 | +10,219 | MCX | Last (INR) | Net |
| Total OI | 9,393 | +315 | Total OI | 98,400 | +3,865 | Total OI | 50,825 | +922 | RSS4 Nov 22 | 16,200 | untraded |

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFE, 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, 4 Nov) | 317,247 | +4,440 |
| Shanghai INE Rubber Stocks (ton, 4 Nov) | 43,514 | +1,108 |
| 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 (% Oct) | 3.7 | +0.2 |
| US Non-Farm Payroll (Oct) | 261,000 | -54,000 |
| 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 (Oct) | 49.2 | -0.9 |
| China GDP 3Q (%) | +3.9 | +3.5 |

Source: JPX, SHFE, Bloomberg

| FOREX | Last | Net |
|---------|---------|---------|
| USD/JPY | 146.62 | -0.98 |
| EUR/USD | 0.9957 | -0.0008 |
| GBP/USD | 1.1379 | -0.0236 |
| USD/CHF | 0.9951 | -0.0007 |
| AUD/USD | 0.6470 | +0.0059 |
| USD/CNY | 7.1851 | -0.0673 |
| USD/INR | 82.4388 | -0.0362 |
| USD/SGD | 1.4069 | -0.0039 |
| USD/MYR | 4.7477 | +0.0227 |
| USD/THB | 37.306 | -0.641 |
| USD/IDR | 15,738 | +184 |
| USD/VND | 24,865 | +37.3 |

Source: Bloomberg

| Stock Index | Last | Net |
|----------------|-----------|-----------|
| NK225 Japan | 27,199.74 | +94.54 |
| TOPIX Japan | 1,915.40 | +16.35 |
| Dow Jones US | 32,403.22 | -458.58 |
| S&P 500 US | 3,770.55 | -130.51 |
| Nasdaq US | 10,475.25 | -627.20 |
| CSI 300 China | 3,767.17 | +225.84 |
| Shanghai China | 3,070.80 | +154.87 |
| HSI Hong Kong | 16,161.14 | +1,298.08 |
| STI Singapore | 3,130.11 | +70.92 |
| KLCI Malaysia | 1,438.28 | -9.03 |
| SET Thailand | 1,626.32 | +20.25 |
| IDX Indonesia | 7,045.53 | -10.51 |
| VSE Vietnam | 997.15 | -30.21 |

Source: JPX, Bloomberg

| JPX Derivatives | Last | Net |
|------------------------|---------|--------|
| JPX NK225 Dec 22 | 27,190 | +180 |
| JPX TOPIX Dec 22 | 1,911.5 | +25.0 |
| JPX NK 400 Dec 22 | 17,160 | +185 |
| JPX TSE REIT Dec 22 | 1,944.0 | -16.0 |
| JPX NK 225 VI Nov 22 | 21.30 | -1.10 |
| JPX JGB 10 Year Dec 22 | 148.43 | -0.34 |
| JPX Gold 1 Kg Oct 23 | 7,807 | +17 |
| JPX Platinum Oct 23 | 4,268 | -60 |
| JPX Silver Oct 23 | 91.4 | +1.8 |
| JPX Palladium Oct 23 | 9,100 | -200 |
| JPX TSR20 Jan 23 | 180.0 | +6.0 |
| JPX Corn Nov 23 | 50,500 | +800 |
| JPX Dubai Crude Mar 23 | 78,490 | +2,910 |

Source: JPX

Technical Analysis on the OSE April-2023 Contracts:

OSE's Apr-2023 contracts increased JPY 3.1 to 213.5 amid relatively active trading volume. The average daily trading volume recorded 4,005 contracts despite a national holiday on Thursday. The price recovered from multi-year lows of the oversold level with new buying activities. The support level is expected at 208.0, then 204.0, while the resistance level seems to be at 219.5, followed by 223.5, the 50-day moving average. The 14-day RSI is now at 37.1%, and further upside will be expected if the cumulative short positions turn to cover transactions.



Source: Bloomberg

Technical Analysis on the SGX SICOM February-2023 Contracts:

SICOM's Feb-2023 contract closed higher UScents 5.8 at 124.0 in active trading all week. Fresh buying activities were observed at the bottom of the price at the oversold level, 18.8% of the 14-day RSI, and the indicator rallied to 44.7%. The trading volume increased by 10,219 contracts compared with the previous week. The price will likely recover to the resistance level of 130.1 and then 134.0 until profit-taking and selling from producers emerge. The support level is expected at 120.0 and then 115.9.



Source: Bloomberg

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