

# The Japan Rubber Futures Weekly Report:

01 Aug 2022 – 05 Aug 2022

Note: Jibun Bank Japan July PMI Manufacturing PMI 52.1, Services PMI 50.3, July Vehicle Sales -13.4% year/year.

## Rubber Futures Report:

World rubber futures closed the week lower across all major exchanges. Fresh speculative selling at SHFE and INE gave bearish market sentiment and lowered the OSE and SICOM prices. US House Speaker Nancy Pelosi's visit to Taiwan caused high tension across the Taiwanese Straits. The weaker China's Manufacturing PMI in July at 50.4 and Japan's sluggish vehicle sales of -13.4% also accelerated downside pressures. OSE futures fell nearly 4%, SHFE and INE futures dropped by 1.7% and 2.7%, respectively, and SICOM futures closed 1.7% lower. In global economic news, the Bank of England hiked its key interest rate by 50 basis points to 1.75% as inflation pressure continues to cripple households. In the US, the labor department reported a robust July unemployment rate at 3.5% and unexpected strong Non-farm payroll at +528,000 new jobs. The estimation of the Fed's aggressive rate hike re-surfaced, and the USD rallied after the 10-year yields moved higher to close at 2.83% accordingly. Crude oil prices fell to \$88.53 per barrel amid the fear of recession as sluggish demands from China and other countries may cut back on consumption.

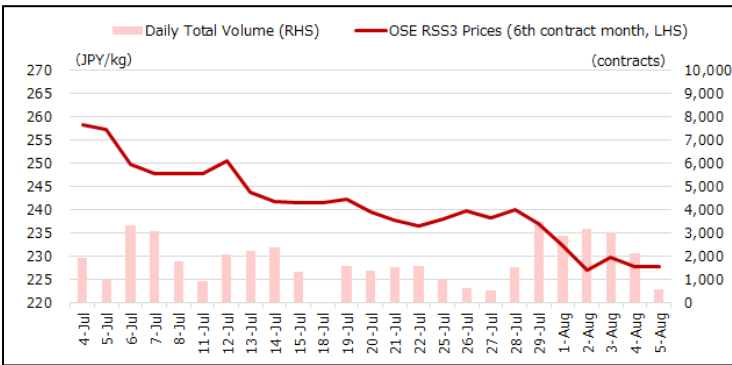
| OSE RSS3          | Last (JPY)    | Net           | SHFE/INE          | Last (CNY)       | Net             | SICOM TSR20       | Last (USC)    | Net           | TFEX                   | Last (THB) | Net   |
|-------------------|---------------|---------------|-------------------|------------------|-----------------|-------------------|---------------|---------------|------------------------|------------|-------|
| Aug 22            | 240.1         | -11.7         | SCR/RSS Sep22     | 12,000           | -215            | Sep 22            | 152.7         | -1.1          | RSS3 Dec 22            | 60.95      | -1.85 |
| Sep 22            | 240.2         | -8.8          | SCR/RSS Jan23     | 12,890           | -320            | Oct 22            | 149.8         | -2.2          | RSS3 Jan 23            | 61.15      | -1.80 |
| Oct 22            | 238.5         | -10.2         | <b>Total Vol.</b> | <b>1,519,438</b> | <b>-348,699</b> | Nov 22            | 149.4         | -2.6          | JRF Dec 22             | 232.1      | -6.4  |
| Nov 22            | 232.0         | -6.7          | <b>Total OI</b>   | <b>263,690</b>   | <b>+4,433</b>   | Dec 22            | 149.5         | -2.7          | JRF Jan 23             | 230.9      | -7.6  |
| Dec 22            | 229.0         | -7.0          | INE TSR Oct 22    | 10,360           | -295            | Jan 23            | 149.7         | -2.9          | <b>ICEX Last (INR)</b> | <b>Net</b> |       |
| Jan 23            | 227.7         | -9.3          | INE TSR Nov 22    | 10,300           | -290            | Feb 23            | 150.0         | -3.0          | RSS4 Aug 22            | Untraded   | 0     |
| <b>Total Vol.</b> | <b>11,691</b> | <b>+4,642</b> | <b>Total Vol.</b> | <b>275,937</b>   | <b>-59,653</b>  | <b>Total Vol.</b> | <b>29,347</b> | <b>+69</b>    | <b>MCX Last (INR)</b>  | <b>Net</b> |       |
| <b>Total OI</b>   | <b>8,640</b>  | <b>-361</b>   | <b>Total OI</b>   | <b>93,488</b>    | <b>+9,245</b>   | <b>Total OI</b>   | <b>47,084</b> | <b>-1,065</b> | RSS4 Aug 22            | 17,200     | 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 July)        | 4,821     | -522     |
| Shanghai SHFE Rubber Stocks (ton, 05 Aug)     | 280,871   | +2,422   |
| Shanghai INE Rubber Stocks (ton, 05 Aug)      | 75,610    | +1,168   |
| 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 (% July)                 | 3.5       | -0.1     |
| US Non-Farm Payroll (July)                    | 528,000   | +156,000 |
| 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 | 135.01  | +1.74   |
| EUR/USD | 1.0183  | -0.0037 |
| GBP/USD | 1.2073  | -0.0098 |
| USD/CHF | 0.9615  | +0.0091 |
| AUD/USD | 0.6911  | -0.0074 |
| USD/CNY | 6.7619  | +0.0174 |
| USD/INR | 79.2413 | -0.0212 |
| USD/SGD | 1.3813  | +0.0008 |
| USD/MYR | 4.4505  | -0.0003 |
| USD/THB | 35.802  | -0.521  |
| USD/IDR | 14,894  | +60     |
| USD/VND | 23,389  | +46     |

Source: Bloomberg

| Stock Index    | Last      | Net     |
|----------------|-----------|---------|
| NK225 Japan    | 28,175.87 | +374.23 |
| TOPIX Japan    | 1,947.17  | +6.86   |
| Dow Jones US   | 32,803.47 | -41.66  |
| S&P 500 US     | 4,145.19  | +14.90  |
| Nasdaq US      | 12,657.55 | +266.86 |
| CSI 300 China  | 4,156.91  | -13.19  |
| Shanghai China | 3,227.03  | -26.21  |
| HSI Hong Kong  | 20,201.94 | +45.43  |
| STI Singapore  | 3,282.88  | +71.32  |
| KLCI Malaysia  | 1,501.55  | +9.32   |
| SET Thailand   | 1,601.09  | +24.68  |
| IDX Indonesia  | 7,084.66  | +133.53 |
| VSE Vietnam    | 1,252.74  | +46.41  |

Source: JPX, Bloomberg

| JPX Derivatives        | Last    | Net    |
|------------------------|---------|--------|
| JPX NK225 Sep 22       | 28,170  | +420   |
| JPX TOPIX Sep 22       | 1,947.0 | +9.5   |
| JPX NK 400 Sep 22      | 17,510  | +60    |
| JPX TSE REIT Sep 22    | 2,010.0 | 0.0    |
| JPX NK 225 VI Aug 22   | 19.15   | -1.25  |
| JPX JGB 10 Year Sep 22 | 150.70  | +0.19  |
| JPX Gold 1 Kg June 23  | 7,649   | +123   |
| JPX Platinum June 23   | 3,927   | +151   |
| JPX Silver June 23     | 84.1    | +0.8   |
| JPX Palladium June 23  | 8,900   | 0      |
| JPX TSR20 Nov 22       | 195.0   | -7.0   |
| JPX Corn July 23       | 46,250  | +140   |
| JPX Dubai Crude Dec 22 | 70,900  | -3,790 |

Source: JPX

### Rubber Trading – Technical Analysis OSE Jan Futures:

OSE active Jan contracts dropped 9.3 to 227.7 amid showing investors' position squaring. The prices continued to fall after breaking through the crucial support level of 240.0 and plunged into a downtrend. Despite the narrow trading range, the weekly trading volume increased by 4,642 lots. The support is expected at 222.5, followed by 218.0. The resistance seems to be 238.9 and then 245.0, and the 14-day RSI is still on the low end at 35.66%. The bear trend will likely persist for a while until the close prices break above the 242.0 or higher level.



Source: Bloomberg

### Rubber Trading – SGX SICOM Nov Futures Technical Analysis:

SICOM rubber Nov contracts continued to slide, closing at 149.4 (-2.6 cents) after the rebound from the week low of 146.6. The sentiment remains weak despite the lower level of RSI of 33.1%. There seemed to be a few active buyers, and the bear market trend will likely persist until the Nov futures close above 152.5. The forward curve remains flat or slightly negative, indicating that a bear market and long-term supply dominate. The support of Nov contracts is 146.5-147.5, and resistance is 152.5 and 154.5.



Source: Bloomberg

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