

# The Japan Rubber Futures Weekly Report:

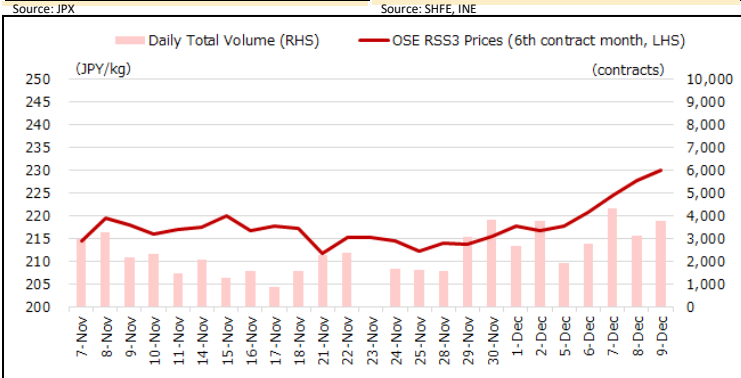
## 5 Dec 2022 – 9 Dec 2022

Note: Japan's upgraded 3Q GDP: -0.2% Q/Q, -0.8% Y/Y, Nov PMI Services: 50.3, Oct Leading Index: 99.0

### Rubber Futures Report:

World rubber futures prices rose this week in all major exchanges, affected by news that China eased COVID-19 restrictions despite rising infection cases. The Chinese government admitted people to travel within the country without showing negative test results from December 7. OSE rubber futures closed 6.1% higher, SHFE and INE futures increased 2.9% and 2.2%, respectively, and SICOM futures rose 3.5%. The trading volume of most exchanges fell from the previous week, reflecting sluggish trading activities before the yearend holidays. The rubber futures prices moved to the highest levels in two months, reflecting yearend physical rubber demand ahead of the Chinese New Year. The Chinese solid stock market for three consecutive weeks, backed by the news of easing the COVID restriction and the expectation of steady economic growth, also supported rubber prices. In other world news, Japan's upgraded 3Q GDP recorded -0.2%, indicating the sluggish economic conditions amid BOJ's ultra-loose monetary policy. Japan's Q4 Tankan report will be announced on Dec. 14, and the median of market expectation is 6 points, 2 points lower than September's result. US CPI in November will be released on Dec. 13, and the market expectation is 7.3%. This year's last FOMC meetings are scheduled on Dec. 13-14.

| OSE RSS3          | Last (JPY)    | Net         | SHFE/INE          | Last (CNY)       | Net             | SICOM TSR20       | Last (US¢)    | Net           | TFEX        | Last (THB)        | Net        |
|-------------------|---------------|-------------|-------------------|------------------|-----------------|-------------------|---------------|---------------|-------------|-------------------|------------|
| Dec 22            | 222.8         | +6.8        | SCR/RSS Jan23     | 13,200           | +370            | Jan 23            | 139.2         | +4.5          | RSS3 Apr 23 | 55.80             | +2.4       |
| Jan 23            | 224.9         | +9.2        | SCR/RSS May23     | 13,180           | +375            | Feb 23            | 139.5         | +5.0          | RSS3 May 23 | 56.20             | +2.45      |
| Feb 23            | 226.2         | +10.4       | <b>Total Vol.</b> | <b>1,542,543</b> | <b>-291,324</b> | Mar 23            | 139.8         | +4.7          | JRF Apr 23  | 230.2             | +13.7      |
| Mar 23            | 230.2         | +13.2       | <b>Total OI</b>   | <b>323,139</b>   | <b>+12,339</b>  | Apr 23            | 139.9         | +4.8          | JRF May 23  | 230.1             | +14.0      |
| Apr 23            | 230.0         | +12.5       | INE TSR Feb 23    | 9,985            | +215            | May 23            | 139.9         | +4.6          | <b>ICEX</b> | <b>Last (INR)</b> | <b>Net</b> |
| May 23            | 230.0         | +13.3       | INE TSR Mar 23    | 10,060           | +250            | Jun 23            | 140.0         | +4.8          | RSS4 Dec 22 | Untraded          | 0          |
| <b>Total Vol.</b> | <b>15,921</b> | <b>+963</b> | <b>Total Vol.</b> | <b>357,783</b>   | <b>-62,366</b>  | <b>Total Vol.</b> | <b>32,737</b> | <b>-7,532</b> | <b>MCX</b>  | <b>Last (INR)</b> | <b>Net</b> |
| <b>Total OI</b>   | <b>9,828</b>  | <b>-440</b> | <b>Total OI</b>   | <b>95,776</b>    | <b>+6,890</b>   | <b>Total OI</b>   | <b>55,914</b> | <b>+111</b>   | RSS4 Dec 22 | 16,250            | untraded   |



| Important Data / Stock levels                | Last      | Net      |
|--|-----------|----------|
| Japan OSE Rubber Stocks (ton, 30 Nov)        | 4,649     | +77      |
| Shanghai SHFE Rubber Stocks (ton, 9 Dec)     | 171,876   | +16,591  |
| Shanghai INE Rubber Stocks (ton, 9 Dec)      | 34,314    | -1,209   |
| China Vehicle Total Sales (unit, 31 Oct 22)  | 2,504,683 | -105,642 |
| China Passenger Car Sales (unit, 31 Oct 22)  | 2,231,197 | -100,572 |
| China Commercial Car Sales (unit, 31 Oct 22) | 273,486   | -5,070   |
| US Unemployment Rate (% Nov)                 | 3.7       | 0        |
| US Non-Farm Payroll (Nov)                    | 263,000   | -21,000  |
| Japan Unemployment Rate (% Oct)              | 2.6       | 0        |
| Japan Manufacturing PMI (Nov)                | 49.4      | -1.3     |
| Japan Tankan Large Manufacturing (3Q)        | 8         | -1       |
| China Manufacturing PMI (Nov)                | 50.1      | +0.9     |
| China GDP 3Q (%)                             | +3.9      | +3.5     |

| FOREX   | Last    | Net     |
|---------|---------|---------|
| USD/JPY | 136.56  | +2.25   |
| EUR/USD | 1.0540  | +0.0005 |
| GBP/USD | 1.2259  | -0.0021 |
| USD/CHF | 0.9342  | -0.0030 |
| AUD/USD | 0.6795  | +0.0005 |
| USD/CNY | 6.9584  | -0.0951 |
| USD/INR | 82.2787 | -0.9624 |
| USD/SGD | 1.3539  | +0.0023 |
| USD/MYR | 4.4045  | +0.0165 |
| USD/THB | 34.755  | -0.032  |
| USD/IDR | 15,583  | +157    |
| USD/VND | 23783   | -694    |

| Stock Index    | Last      | Net       |
|----------------|-----------|-----------|
| NK225 Japan    | 27,901.01 | +123.11   |
| TOPIX Japan    | 1,961.56  | +7.58     |
| Dow Jones US   | 33,476.46 | -953.42   |
| S&P 500 US     | 3,934.38  | -137.32   |
| Nasdaq US      | 11,004.62 | -456.88   |
| CSI 300 China  | 3,998.24  | +127.29   |
| Shanghai China | 3,206.95  | +50.81    |
| HSI Hong Kong  | 19,900.87 | +1,225.52 |
| STI Singapore  | 3,245.97  | -13.17    |
| KLCI Malaysia  | 1,477.19  | -4.61     |
| SET Thailand   | 1,623.13  | -18.5     |
| IDX Indonesia  | 6,715.12  | -304.52   |
| VSE Vietnam    | 1,051.81  | -28.20    |

| JPX Derivatives        | Last    | Net    |
|------------------------|---------|--------|
| JPX NK225 Mar 23       | 27,850  | +160   |
| JPX TOPIX Mar 23       | 1,985.0 | +11.5  |
| JPX NK 400 Mar 23      | 17,695  | +195   |
| JPX TSE REIT Mar 23    | 1,910.5 | +1.0   |
| JPX NK 225 VI Dec 22   | 19.25   | -1.15  |
| JPX JGB 10 Year Dec 22 | 148.99  | +0.05  |
| JPX Gold 1 Kg Oct 23   | 7,850   | +44    |
| JPX Platinum Oct 23    | 4,340   | -60    |
| JPX Silver Oct 23      | 99.3    | +1.8   |
| JPX Palladium Oct 23   | 8,300   | -170   |
| JPX TSR20 Mar 23       | 187.0   | +8.0   |
| JPX Corn Nov 23        | 44,800  | -380   |
| JPX Dubai Crude Apr 23 | 60,200  | -6,670 |

### Technical Analysis on the OSE May-2023 Contracts:

OSE's May-2023 contracts rose JPY 13.3 to 230.0 with active trading activities. The trading volume increased by 963 contracts from the previous week under some transactions aiming for position liquidation. The price closed 6% higher in conjunction with the rubber price rally across all exchanges. The price broke the crucial resistance level at 221.0 and was traded above the 50 and 100 MAs. The support level will be 224.6 and 221.1, while the resistance level will be 239.4 (200 MA), followed by 247.5. The 14-day RSI is close to the overbought level at 68.3%, expecting profit-taking transactions.



### Technical Analysis on the SGX SICOM March-2023 Contracts:

SICOM's active March-2023 contracts closed 4.7 cents higher at 139.8 with moderate trading activities. There was some buying for new position creation, but weekly trading volume fell by 7,532 contracts. The price had rallied since Oct 31, when it touched the year's low of 115.0 and gained 20% from the bottom. The price is now in the over-bought territory, 72.1% of the 14-day RSI. There seem to be limited opportunities for further upside in the short term with an expectation of profit-taking transactions. The support level will be 134.8 and 131.0, while the resistance level will be 145.5 and 150.5.



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