

The Japan Rubber Futures Weekly Report:

08 Aug 2022 – 12 Aug 2022

Note: Japan Machine Orders in July +5.5%, July PPI +0.4% month/month, July PPI +8.4% year/year.

Rubber Futures Report:

World rubber futures closed the week mixed in major rubber exchanges. The OSE rubber futures closed marginally higher, whereas the SICOM futures closed slightly lower. Both the SHFE and INE futures increased slightly. The trading volume of all exchanges visibly dropped as there looked to be no clear market direction, remaining many traders on the side-line. The OSE prices of the front contract months fell sharply as the forward curve started to modify from backwardation lasted several months. SICOM's spot contract month of Sept. had kept premiums stemming from the continued tight physical market against a flat overall forward curve, but the premiums seemed to shrink according to current signs of easing supply conditions. SHFE's active contract month switched to Jan-23 from Sept-22 with the position transfer of leading traders. Bridgestone announced the investment of USD 26.7m in South-East Asia rubber plantations through 2030. In global news, the US July CPI dropped to 8.5% on an annual base, which sparked a rally in global equities markets. Market players expect the Fed to raise the key interest rate by 50 bps instead of 75 bps. China also reported a lower July CPI at 2.7% and PPI at 4.2%, respectively.

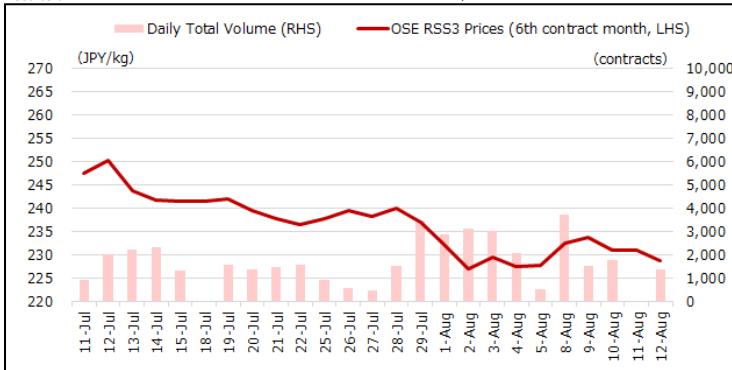
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Aug 22	226.9	-13.2	SCR/RSS Sep22	12,060	+60	Sep 22	152.0	-0.7	RSS3 Dec 22	57.00	-3.95
Sep 22	228.7	-11.5	SCR/RSS Jan23	13,025	+135	Oct 22	149.7	-0.1	RSS3 Jan 23	57.25	-3.90
Oct 22	233.0	-5.5	Total Vol.	1,244,205	-275,233	Nov 22	148.7	-0.7	JRF Dec 22	231.8	-0.3
Nov 22	229.4	-2.6	Total OI	267,318	+3,628	Dec 22	148.9	-0.6	JRF Jan 23	231.4	+0.5
Dec 22	229.9	+0.9	INE TSR Oct 22	10,405	+45	Jan 23	149.1	-0.6	ICEX	Last (INR)	Net
Jan 23	228.7	+1.0	INE TSR Nov 22	10,360	+60	Feb 23	149.6	-0.4	RSS4 Aug 22	Untraded	0
Total Vol.	8,433	-3,258	Total Vol.	210,181	-65,756	Total Vol.	22,305	-7,042	MCX	Last (INR)	Net
Total OI	9,078	+438	Total OI	93,076	-412	Total OI	45,995	-1,089	RSS4 Aug 22	16,900	-300

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 July)	4,534	-287
Shanghai SHFE Rubber Stocks (ton, 12 Aug)	283,584	+2,713
Shanghai INE Rubber Stocks (ton, 12 Aug)	76,185	+575
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
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	133.42	-1.59
EUR/USD	1.0259	+0.0076
GBP/USD	1.2138	+0.0065
USD/CHF	0.9416	-0.0199
AUD/USD	0.7121	+0.0210
USD/CNY	6.7428	-0.0191
USD/INR	79.6537	+0.4124
USD/SGD	1.3716	-0.0097
USD/MYR	4.4445	-0.0060
USD/THB	35.333	-0.469
USD/IDR	14,668	-226
USD/VND	23,395	+6

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,546.98	+371.11
TOPIX Japan	1,973.18	+26.01
Dow Jones US	33,761.05	+957.58
S&P 500 US	4,280.15	+134.96
Nasdaq US	13,047.19	+389.64
CSI 300 China	4,191.15	+34.24
Shanghai China	3,276.89	+49.86
HSI Hong Kong	20,175.62	-26.32
STI Singapore	3,269.27	-13.61
KLCI Malaysia	1,506.19	+4.64
SET Thailand	1,622.26	+21.17
IDX Indonesia	7,129.28	+44.62
VSE Vietnam	1,262.33	+9.59

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 22	28,540	+370
JPX TOPIX Sep 22	1,974.5	+27.5
JPX NK 400 Sep 22	17,775	+265
JPX TSE REIT Sep 22	2,000.0	-10.0
JPX NK 225 VI Aug 22	21.10	+0.10
JPX JGB 10 Year Sep 22	150.26	-0.44
JPX Gold 1 Kg June 23	7,644	-5
JPX Platinum June 23	3,975	+48
JPX Silver June 23	84.1	+0.0
JPX Palladium June 23	9,700	+800
JPX TSR20 Nov 22	195.0	+0.0
JPX Corn July 23	47,250	+1,000
JPX Dubai Crude Jan 23	73,800	-3,780

Source: JPX

Rubber Trading – Technical Analysis OSE Jan futures:

OSE's active Jan futures increased by JPY 1.0 to JPY 228.7. The trading volume dropped by 3,258 lots, and open interest grew slightly by 438 lots amid quiet trading activities. While this bear market sentiment remained, the sharp price drop of the front contract months steepened the forward curve from the flat conditions. The support is 226.4 and 223.0, and the resistance is expected at 240.0 and 245.4. The RSI is at a lower level of 35.9% but doesn't show the oversold signal. The prices are likely to consolidate and trade sideways for a while.



Source: Bloomberg

Rubber Trading – SGX SICOM Nov futures Technical Analysis:

SICOM's Nov futures closed marginally lower by USD0.7 at USD148.7. The prices remain below the 150 level, showing a continuing weak market sentiment. The trading volume fell sharply by 7,042 lots, and the open interest dropped by 1,089 lots with several position liquidations. Physical trade remains tight, but the premiums of the spot contract month had modified to 12-13 cents/kg from 17-18 cents/kg lasted the past two weeks. The Nov support is 146.0-146.5, and the resistance is 151.0, followed by 154.0. The 14-day RSI is now 36% at the low end.



Source: Bloomberg

Contact us

Kensuke Yazu

Derivatives Business Development
Osaka Exchange, Inc.

Tel: +81 (0) 50 3377 8645

Email: deri-w1@jpx.co.jp

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