



The Japan Rubber Futures Weekly Report:

10 Jan 2022 – 14 Jan 2022

Note: Japan Dec Foreign Exchange Reserves at USD 1.4058T, Dec PPI +8.5% on year (expected +8.8%)

Rubber Futures Report:

Rubber Futures prices closed the week higher on both fresh speculative buying and short covering. On the Japan OSE market prices were +2.1% on mostly short covering. Strong renewed speculative buying seen on both SHFE and INE markets where prices were +1.6% and +2.8% respectively in active trading. SICOM rubber futures were higher on both consumer and new speculative buying where prices were +2.7%. Rubber prices were also supported by a softer USD, a firmer crude oil prices and an increase in monthly China vehicle sales in Dec 2021 where total sales were reported +264,409 units. However weekly warehouse rubber stockpile on both SHFE and INE were +5,125 tonnes and +4,838 tonnes respectively. Rubber sentiment remains bullish and likely to continue its up trend toward the Chinese New Year which starts on the 1 Feb 2022. On global economic news, inflation rate remains a dominant threat with US Dec CPI +7.0% on year, 42 years high where the Fed is likely to start raising interest rate as early as March. China Dec CPI was lower at +1.5% on year. Omicron variant remains a global threat and tensions in Ukraine is also causing stocks to fall.

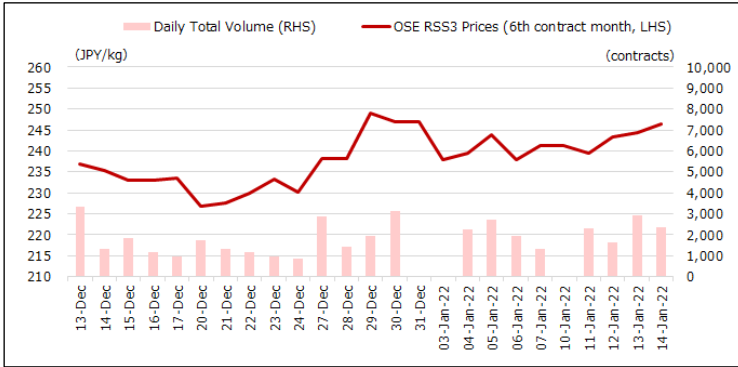
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Jan 22	232.1	+6.1	SCR/RSS May22	15,010	+240	Feb 22	181.3	+4.7	RSS3 May 22	67.00	-0.05
Feb 22	233.7	+5.9	SCR/RSS Sep22	15,185	+235	Mar 22	182.5	+4.9	RSS3 Jun 22	67.40	-0.05
Mar 22	236.6	+5.9	Total Vol.	1,657,444	+441,723	Apr 22	183.3	+4.9	JRF May 22	240.5	+3.4
Apr 22	239.6	+5.6	Total OI	342,679	+19,163	May 22	183.9	+4.7	JRF Jun 22	244.5	+3.4
May 22	241.9	+5.0	INE TSR Mar 22	12,020	+325	Jun 22	184.4	+4.4	ICEX	Last (INR)	Net
Jun 22	246.5	+5.1	INE TSR Apr 22	12,075	+285	Jul 22	184.5	+3.8	RSS4 Feb 22	16,652	-856
Total Vol.	9,263	+976	Total Vol.	190,179	+47,126	Total Vol.	34,601	+7,334	MCX	Last (INR)	Net
Total OI	7,927	-803	Total OI	65,954	+5,862	Total OI	52,929	+3,239	RSS4 Jan 22	16,300	+40

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 Dec)	9,168	-143
Shanghai SHFE Rubber Stocks (ton, 14 Jan)	239,925	+5,125
Shanghai INE Rubber Stocks (ton, 14 Jan)	77,520	+4,838
China Vehicle Total Sales (unit, 31 Dec)	2,786,000	+264,409
China Passenger Car Sales (unit, 31 Dec)	2,421,000	+229,047
China Commercial Car Sales (unit, 31 Dec)	365,000	+35,362
US Unemployment Rate (% Dec)	3.9	-0.3
US Non-Farm Payroll (Dec)	199,000	-50,000
Japan Unemployment Rate (% Nov)	2.8	+0.1
Japan PMI (Dec)	54.2	-0.2
Japan Tankan Large Manufacturing (4Q)	+18	0
China PMI (Dec)	50.3	+0.2
China GDP 3Q (%)	+4.9	-3.0

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	114.19	-1.37
EUR/USD	1.1411	+0.0051
GBP/USD	1.3675	+0.0087
USD/CHF	0.9140	-0.0048
AUD/USD	0.7208	+0.0027
USD/CNY	6.3528	-0.0250
USD/INR	74.1537	-0.1538
USD/SGD	1.3477	-0.0080
USD/MYR	4.1780	-0.0295
USD/THB	33.206	-0.404
USD/IDR	14,296	-55
USD/VND	22,711	+5

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,124.28	-354.28
TOPIX Japan	1,977.66	-18.02
Dow Jones US	35,911.81	-319.85
S&P 500 US	4,662.85	-14.18
Nasdaq US	14,893.75	-42.15
CSI 300 China	4,726.73	-95.64
Shanghai China	3,521.26	-58.28
HSI Hong Kong	24,383.32	+889.94
STI Singapore	3,281.97	+76.71
KLCI Malaysia	1,555.33	+12.22
SET Thailand	1,672.63	+15.01
IDX Indonesia	6,693.40	-7.92
VSE Vietnam	1,496.02	-32.46

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Mar 22	28,190	-260
JPX TOPIX Mar 22	1,982.0	-9.5
JPX NK 400 Mar 22	17,840	-135
JPX TSE REIT Mar 22	1976.0	-29.5
JPX NK 225 VI Feb 22	20.40	-1.35
JPX JGB 10 Year Mar 22	150.80	-0.17
JPX Gold 1 Kg Dec 22	6,669	+14
JPX Mini Gold 100g Dec 22	6,669	+14
JPX Gold Rolling Spot	6,678	+9
JPX Silver Dec 22	84.6	+2.2
JPX Platinum Dec 22	3,566	-24
JPX Palladium Dec 22	6,879	-321
JPX Corn Jan 23	39,470	-780

Source: JPX

Rubber Trading – Technical Analysis OSE June Rubber futures:

OSE Rubber June futures traded higher and closed +5.1 at 246.5. Though trading was modestly active despite a Monday holiday, the buying was mostly short covering. Short term up-trend remains intact with 50/100 moving averages pointing market is likely to continue higher gradually. Support seen at 234.7 then 229.6 and resistance at 257.5 then 160.0. RSI is now at 61.8%. There could be some pull-back correction and buying on any dips is suggested with stops below 229.0.



Source: Bloomberg

Rubber Trading – SGX SICOM Mar Futures Technical Analysis:

SICOM rubber Mar futures closed the week strongly +4.9 cents to 182.5. The closing above the 180.0 level signal a strong close and prices are likely to continue to trade higher. Total Open interest also indicate new buying interest has entered the market with an increase of 3,239 lots. Mar support is seen at 178.5 then 175.2 and resistance at 184.7 and 189.0 respectively. 14-day RSI is now at 66.6%. We may see occasional profit taking and long liquidation where buying opportunity is seen.



Source: Bloomberg

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