

The Japan Rubber Futures Weekly Report:

10 Oct 2022 – 14 Oct 2022

Note: Japan Aug Core Machine Orders weaker at -5.8%, Sept PPI higher 9.7% on Year & +0.7% on Month

Rubber Futures Report:

World rubber futures closed lower due to speculative selling pressures after the Chinese Golden week holidays. Despite the heavy rain and floods in some regions of Thailand, Vietnam, and Southern Indonesia, the news did not support rubber prices. Storm Sonca in Thailand caused flooding in Khon Kaen province and will likely continue raining through the weekend. OSE rubber futures fell 2.2% with light trading volume, while SICOM rubber futures dropped 4.5% with active trading activities. With new speculative selling, SHFE and INE rubber futures shed 2.9% and 2.6%, respectively. The Chinese economy is struggling with slowing economic growth amid unfavorable conditions: persisting weak housing market, slowing vehicle sales, continuing zero-COVID policies, and rising trade tension with the US on semiconductor chips. On world news, the expectation of further rate hikes by major central banks and the concern of recession impacted global equity markets under the continuous rise of the USD. Despite MOF's consecutive verbal interventions, the JPY against the USD had sunk to a 20-year low at 148.70. Market players will closely watch China's CCP conference in Beijing this week.

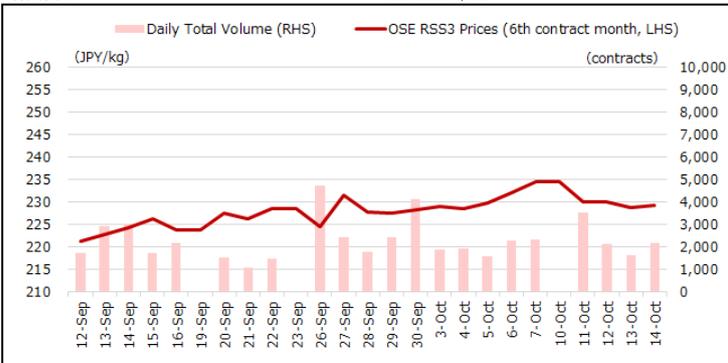
| OSE RSS3 | Last (JPY) | Net | SHFE/INE | Last (CNY) | Net | SICOM TSR20 | Last (USC) | Net | TFEX | Last (THB) | Net |
|-------------------|--------------|-------------|-------------------|------------------|----------------|-------------------|---------------|----------------|-------------|-------------------|------------|
| Oct 22 | 221.0 | -5.8 | SCR/RSS Jan23 | 12,815 | -385 | Nov 22 | 132.5 | -5.4 | RSS3 Feb 23 | 57.70 | -1.75 |
| Nov 22 | 225.0 | -3.9 | SCR/RSS May23 | 12,850 | -250 | Dec 22 | 131.6 | -5.5 | RSS3 Mar 23 | 58.50 | -2.00 |
| Dec 22 | 227.4 | -4.2 | Total Vol. | 1,329,960 | - | Jan 23 | 130.9 | -6.2 | JRF Feb 23 | 228.7 | -5.7 |
| Jan 23 | 228.8 | -5.3 | Total OI | 251,032 | +25,480 | Feb 23 | 131.1 | -6.2 | JRF Mar23 | 231.0 | -4.7 |
| Feb 23 | 229.1 | -4.1 | INE TSR Nov 22 | 9,740 | -265 | Mar 23 | 131.4 | -6.3 | ICEX | Last (INR) | Net |
| Mar 23 | 229.4 | -5.1 | INE TSR Dec 22 | 9,695 | -310 | Apr 23 | 132.0 | -6.0 | RSS4 Oct 22 | Untraded | 0 |
| Total Vol. | 9,475 | -531 | Total Vol. | 242,355 | - | Total Vol. | 42,208 | +26,683 | MCX | Last (INR) | Net |
| Total OI | 8,690 | -289 | Total OI | 91,159 | +7,313 | Total OI | 46,458 | -675 | RSS4 Oct 22 | 16,300 | untraded |

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

| Important Data / Stock levels | Last | Net |
|--|-----------|---------|
| Japan OSE Rubber Stocks (ton, 30 Sep) | 4,381 | +182 |
| Shanghai SHFE Rubber Stocks (ton, 14 Oct) | 308,980 | +2,718 |
| Shanghai INE Rubber Stocks (ton, 14 Oct) | 53,978 | -2,319 |
| China Vehicle Total Sales (unit, 31 Aug 22) | 2,383,354 | -36,704 |
| China Passenger Car Sales (unit, 31 Aug 22) | 2,125,260 | -49,065 |
| China Commercial Car Sales (unit, 31 Aug 22) | 258,094 | +12,361 |
| US Unemployment Rate (% Sep) | 3.5 | -0.2 |
| US Non-Farm Payroll (Sep) | 263,000 | -52,000 |
| Japan Unemployment Rate (% Aug) | 2.5 | -0.1 |
| Japan Manufacturing PMI (Sep) | 50.8 | -0.2 |
| Japan Tankan Large Manufacturing (3Q) | 8 | -1 |
| China Manufacturing PMI (Sep) | 50.1 | +0.7 |
| China GDP 2Q (%) | +0.4 | -4.4 |

Source: JPX, SHFE, Bloomberg

| FOREX | Last | Net |
|---------|--------|---------|
| USD/JPY | 148.67 | +3.42 |
| EUR/USD | 0.9722 | -0.0022 |
| GBP/USD | 1.1172 | +0.0086 |
| USD/CHF | 1.0054 | +0.011 |
| AUD/USD | 0.6199 | -0.0176 |
| USD/CNY | 7.1925 | +0.0766 |
| USD/INR | 82.36 | +0.0287 |
| USD/SGD | 1.4260 | -0.0062 |
| USD/MYR | 4.7045 | +0.0545 |
| USD/THB | 38.334 | +0.723 |
| USD/IDR | 15,427 | +176 |
| USD/VND | 24,115 | +233 |

Source: Bloomberg

| Stock Index | Last | Net |
|----------------|-----------|-----------|
| NK225 Japan | 27,090.76 | -25.35 |
| TOPIX Japan | 1,898.19 | -8.61 |
| Dow Jones US | 29,634.83 | +338.04 |
| S&P 500 US | 3,583.07 | -356.59 |
| Nasdaq US | 10,321.39 | -331.01 |
| CSI 300 China | 3,842.47 | +37.58 |
| Shanghai China | 3,071.99 | +47.60 |
| HSI Hong Kong | 16,587.69 | -1,152.36 |
| STI Singapore | 3,039.61 | -106.20 |
| KLCI Malaysia | 1,382.47 | -23.53 |
| SET Thailand | 1,560.78 | -18.88 |
| IDX Indonesia | 6,814.53 | -212.25 |
| VSE Vietnam | 1,061.85 | +25.94 |

Source: JPX, Bloomberg

| JPX Derivatives | Last | Net |
|------------------------|---------|--------|
| JPX NK225 Dec 22 | 27,050 | -50 |
| JPX TOPIX Dec 22 | 1,892.0 | -13.5 |
| JPX NK 400 Dec 22 | 17,005 | -120 |
| JPX TSE REIT Dec 22 | 1,894.5 | -39.5 |
| JPX NK 225 VI Nov 22 | 23.05 | +0.10 |
| JPX JGB 10 Year Dec 22 | 148.33 | -0.29 |
| JPX Gold 1 Kg Aug 23 | 7,889 | -59 |
| JPX Platinum Aug 23 | 4,108 | +5 |
| JPX Silver Aug 23 | 89.2 | -4.5 |
| JPX Palladium Aug 23 | 9,900 | 0 |
| JPX TSR20 Jan 23 | 190.0 | -6.0 |
| JPX Corn Sept 23 | 51,480 | +1,140 |
| JPX Dubai Crude Mar 23 | 75,840 | +850 |

Source: JPX

Technical Analysis on the OSE Mar-23 Contracts:

OSE active Mar-23 contracts dropped 2.2% in quiet non-event trading with some light position squaring. The prices showed stronger momentum at the beginning of the week but closed below the key indicative 230.0 level on Friday. Consolidation will be expected between 226.0 and 235.5 in the coming week as the prices will likely hover above the 50-day moving average line. The support is expected at 225/226 levels, and the resistance is 233.5 and 235.5. The 14-day RSI is at a neutral level of 51.7%, and there seem to be no clear price directions.



Source: Bloomberg

Technical Analysis on the SGX SICOM Jan-23 Contracts:

SICOM Jan-23 contracts shed 4.5% to 130.9 cents from the previous week, impacted by strong selling pressure in the Chinese markets. Although Jan-23 contracts had broken through the key resistance level of 135.0, the prices returned to the previous range as the buying momentum didn't last this week. The market seems back to the downtrend. The support level is expected at 129.5-130.0, then 127.5, and the resistance level is 135.0/136.0. The 14-day RSI is 39.3%, and the price range for the coming week would be between 129.0 and 134.0.



Source: Bloomberg

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