

The Japan Rubber Futures Weekly Report:

11 April 2022 – 15 Apr 2022

Note: Japan Mar PPI lower at +0.8% on month, Mar PPI higher +9.5% on Year, Feb Core Machine orders -9.8%

Rubber Futures Report:

Rubber futures closed with mixed prices in major exchanges. OSE rubber futures closed in the positive territory stemming from the weaker JPY and speculative buying with light trading volume. Both Chinese exchanges, SHFE and INE, closed lower due to a new speculative selling amid rising Covid-19 cases and the extension of lockdown in Shanghai. SICOM rubber futures closed slightly lower on light profit taking in a shortened trading week. Rubber prices remained in tight trading range with uncertainty and a lack of clear direction leave some traders cautious. The slowing Chinese economy & rising Covid-19 cases are putting pressure on the market while the recent tight physical supply is holding prices up especially on OSE's front months, April and May contracts. On global equity markets, most markets were down on inflationary concerns & the Fed impending aggressive tightening of monetary policy. The Fed is expected to hike 0.5% on its forthcoming May 4 FOMC meeting. Chinese central bank had lowered its reserve requirement ratio (RRR) 0.25% from its current 5% from 25 April. Russia continues military operations in Ukraine after talks failed.

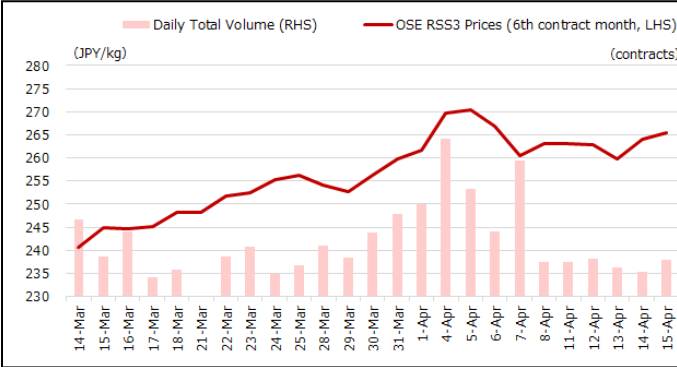
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Apr 22	275.0	+10.0	SCR/RSS Sep22	13,400	-145	May 22	173.5	-0.8	RSS3 Aug 22	69.45	-0.35
May 22	272.6	+8.4	SCR/RSS Jan23	14,490	-115	Jun 22	172.9	-0.9	RSS3 Sep 22	69.45	-0.35
Jun 22	269.4	+5.6	Total Vol.	1,421,753	+600,900	Jul 22	173.4	-0.9	JRF Aug 22	261.4	-2.1
Jul 22	265.0	+3.4	Total OI	353,262	+10,783	Aug 22	173.9	-1.0	JRF Sep 22	261.7	-1.9
Aug 22	266.3	+4.4	INE TSR Jun 22	11,220	-65	Sep 22	174.5	-0.8	ICEX Last (INR)	Net	
Sep 22	265.5	+2.5	INE TSR July 22	11,290	-80	Oct 22	175.2	-0.6	RSS4 May 22	17,666	0
Total Vol.	7,021	-14,634	Total Vol.	168,703	+61,587	Total Vol.	18,543	-3,600	MCX Last (INR)	Net	
Total OI	9,177	-71	Total OI	69,626	+151	Total OI	36,656	-501	RSS4 Apr 22	17,164	-186

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 Mar)	8,268	+98
Shanghai SHFE Rubber Stocks (ton, 15 April)	260,978	+2,068
Shanghai INE Rubber Stocks (ton, 15 April)	107,514	-4,274
China Vehicle Total Sales (unit, 28 Feb22)	1,737,386	-793,198
China Passenger Car Sales (unit, 28 Feb22)	1,487,442	-698,902
China Commercial Car Sales (unit, 28 Feb22)	249,944	-94,296
US Unemployment Rate (% Mar)	3.6%	-0.2
US Non-Farm Payroll (Mar)	431,000	-319,000
Japan Unemployment Rate (% Feb)	2.7	-0.1
Japan Manufacturing PMI (Mar)	53.2	+0.5
Japan Tankan Large Manufacturing (1Q)	+14	-3
China Manufacturing PMI (Mar)	49.5	-0.7
China GDP 4Q (%)	+4.0	-0.9

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	126.46	+2.12
EUR/USD	1.0810	-0.0067
GBP/USD	1.3060	+0.0035
USD/CHF	0.9431	+0.0088
AUD/USD	0.7395	-0.0063
USD/CNY	6.3715	+0.0065
USD/INR	76.1837	+0.2787
USD/SGD	1.3570	-0.0066
USD/MYR	4.2355	+0.0142
USD/THB	33.606	+0.017
USD/IDR	14,381	+19
USD/VND	22,900	+35

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,093.19	+107.39
TOPIX Japan	1,896.31	-0.48
Dow Jones US	34,451.23	-269.89
S&P 500 US	4,392.59	-95.69
Nasdaq US	13,351.08	-359.92
CSI 300 China	4,188.75	-42.02
Shanghai China	3,211.25	-40.6
HSI Hong Kong	21,518.08	-353.93
STI Singapore	3,335.85	-47.43
KLCI Malaysia	1,591.93	-15.36
SET Thailand	1,674.34	-14.38
IDX Indonesia	7,235.53	+24.69
VSE Vietnam	1,458.56	-23.44

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 22	27,080	+40
JPX TOPIX Jun 22	1,896.5	-1.5
JPX NK 400 Jun 22	17,080	-20
JPX TSE REIT Jun 22	1,984.5	+20.5
JPX NK 225 VI May 22	22.95	+0.75
JPX JGB 10 Year Jun 22	149.41	-0.08
JPX Gold 1 Kg Feb 23	8,055	+372
JPX Platinum Feb 23	3,960	+170
JPX Silver Feb 23	104.9	+6.6
JPX Palladium Feb 23	9,789	+1,089
JPX TSR20 July 22	217.0	+2.0
JPX Corn Mar23	55,430	+2,450
JPX Dubai Crude Sep 22	80,000	+7,380

Source: JPX

Rubber Trading – Technical Analysis OSE Sep Futures:

OSE Sept active contract settled +2.5 at 265.5. The price movement remained firm in spite of the weaker JPY. The trading volume was light though some profit taking was observed. A strong physical demand is keeping the front months, Apr & May, higher. Support is at 257.0 and stronger support is at 254.9 (50-day MA). Resistance is likely to be at 267.0 followed by 276.0 level. 14-day RSI is now at 60.5%. We continue to see prices trending higher with occasional pullback on profit taking.



Source: Bloomberg

Rubber Trading – SGX SICOM July Futures Technical Analysis:

SICOM July active futures settled -0.9 at 173.4. The prices were pressured by weak Chinese market but the trading was confined within tight range all week with low volume. July futures short term support is at 171.5-172.0 and resistance 175.0-175.5. Prices must break and close above 176.0 to anticipate higher prices or close below 170.0 to see lower prices. 14-day RSI is at 45.5%. The market sentiment remains uncertain in line with weak Chinese market against a tight physical supply in a wintering season.



Source: Bloomberg

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