

The Japan Rubber Futures Weekly Report:

11 July 2022 – 15 July 2022

Note: Japan May Core Machine Orders -5.6%, June PPI +9.2% year/year, May Industrial Production -7.5%

Rubber Futures Report:

World rubber futures closed the week sharply lower across all major exchanges. There was concern that the global economy had a risk of sinking into a recession. The Chinese economy could face an economic slowdown corresponding to the recent surge in variants and lockdowns. There was robust speculative and fresh selling on the SHFE and INE markets; SHFE and INE fell 7% and 6%, respectively. OSE rubber slipped 2.5% amid generally quiet trading after some weak economic data was released. Japan reported a weak Industrial Production in May, falling by 7.5%, and June PPI was at a record high level of 9.2%. SICOM rubber dropped 5% with active trading volume. The physical market was tight, so the back months contracts were almost trading in a flat forward curve. China reported sluggish 2Q GDP growth of +0.4%, which missed the expectation of +1.2%. Malaysia's May rubber production slipped by 6.3% to 21,073 tonnes may have lent some support to the market. On other economic news, US June CPI rose by 9.1%, higher than market expectation. This signaled Fed's further rate hike at the next FOMC meeting, causing a rally in the USD.

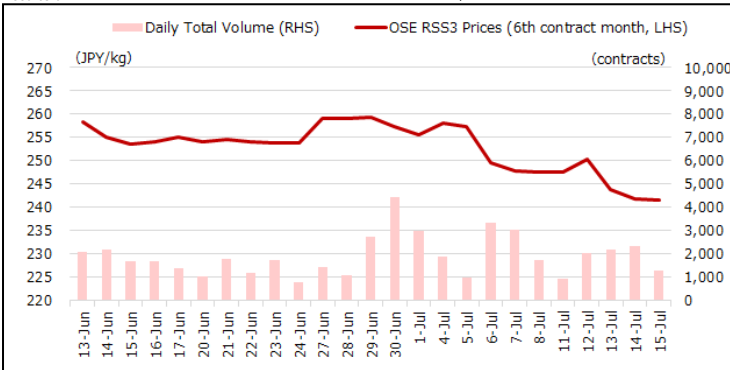
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Jul 22	261.0	+5.6	SCR/RSS Sep22	11,840	-880	Aug 22	155.8	-4.7	RSS3 Nov 22	61.45	-5.0
Aug 22	259.5	+5.5	SCR/RSS Jan23	12,950	-865	Sep 22	151.3	-8.1	RSS3 Dec 22	61.40	-5.05
Sep 22	252.8	+1.5	Total Vol.	2,474,444	+256,119	Oct 22	151.2	-8.0	JRF Nov 22	242.9	-4.6
Oct 22	248.1	-2.6	Total OI	290,348	+3,922	Nov 22	151.5	-7.8	JRF Dec 22	241.3	-6.6
Nov 22	242.7	-5.1	INE TSR Sep 22	10,410	-660	Dec 22	151.8	-8.0	ICEX Last (INR) Net		
Dec 22	241.5	-6.2	INE TSR Oct 22	10,350	-680	Jan 23	152.2	-8.2	RSS4 Jul 22	Untraded	-
Total Vol.	8,823	-2,181	Total Vol.	428,681	+62,540	Total Vol.	38,774	+10,065	MCX Last (INR) Net		
Total OI	7,745	-37	Total OI	103,482	+9,210	Total OI	44,723	+2,077	RSS4 Jul 22	17,400	-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, 30 June)	5,915	-598
Shanghai SHFE Rubber Stocks (ton, 15 July)	280,639	+262
Shanghai INE Rubber Stocks (ton, 15 July)	74,956	-2,378
China Vehicle Total Sales (unit, 31 May 22)	1,861,975	+681,072
China Passenger Car Sales (unit, 31 May 22)	1,622,879	+657,759
China Commercial Car Sales (unit, 31 May 22)	239,096	+23,313
US Unemployment Rate (% June)	3.6	0.0
US Non-Farm Payroll (June)	372,000	-12,000
Japan Unemployment Rate (% May)	2.6	+0.1
Japan Manufacturing PMI (June)	52.7	-0.6
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	138.57	+2.47
EUR/USD	1.00.80	-0.0105
GBP/USD	1.1855	-0.0178
USD/CHF	0.9772	0.0000
AUD/USD	0.6793	-0.0068
USD/CNY	6.7572	+0.0626
USD/INR	79.8775	+0.6237
USD/SGD	1.4001	+0.0013
USD/MYR	4.4493	+0.0233
USD/THB	36.604	+0.724
USD/IDR	14,997	+18
USD/VND	23,400	+42.5

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	26,788.47	+271.28
TOPIX Japan	1,892.50	+5.07
Dow Jones US	31,288.26	-49.89
S&P 500 US	3,863.16	-36.22
Nasdaq US	11,452.42	-182.89
CSI 300 China	4,248.53	-180.34
Shanghai China	3,228.06	-128.02
HSI Hong Kong	20,297.72	-1,428.06
STI Singapore	3,099.15	-32.11
KLCI Malaysia	1,418.44	-7.35
SET Thailand	1,533.37	-24.5
IDX Indonesia	6,651.90	-88.32
VSE Vietnam	1,179.25	+7.94

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 22	26,760	+150
JPX TOPIX Sep 22	1,890.0	-4.5
JPX NK 400 Sep 22	17,015	-40
JPX TSE REIT Sep 22	1,936.5	+10.5
JPX NK 225 VI Aug 22	22.30	-0.35
JPX JGB 10 Year Sep 22	149.29	+0.05
JPX Gold 1 Kg June 23	7,587	+24
JPX Platinum June 23	3,637	-97
JPX Silver June 23	80.1	-1.1
JPX Palladium June 23	8,800	+400
JPX TSR20 Oct 22	205.0	-8.0
JPX Corn July 23	46,830	+10
JPX Dubai Crude Dec 22	71,080	-1,580

Source: JPX

Rubber Trading – Technical Analysis OSE Dec Futures:

OSE active Dec futures closed 2.5% lower or JPY 6.2 at 241.5. The prices remain above the critical support of 240.0, and breaking the close price below 240.0 could signal a further downturn. Although the prices traded below the 200-day moving average, there is a double bottom at 240.0, a critical technical support level. The 14-day RSI is now 32.1%, and this level could awaken possible buying interest. The support is 240.0, followed by 232.0, with the resistance at 246.5 and 252.0 next week.



Source: Bloomberg

Rubber Trading – SGX SICOM Oct Futures Technical Analysis:

SICOM futures fell sharply due to strong selling from overseas. Oct futures were down by 5% to 151.2 (-8.0 cents). This week's sharp sell-off triggered stop-loss orders on the way down, and the price touched a low level of 148.3 and closed at 151.2 with a slight recovery. The prices seem in oversold territory as the 14-day RSI recorded 24.9%. There could expect a rebound to 155.0 in the subsequent few sessions. The Support will be 148.3, followed by 146.5, and the resistance is 155.0 and 159.0.



Source: Bloomberg

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