

The Japan Rubber Futures Weekly Report:

01 Nov 2021 – 05 Nov 2021

Note: Japan's Oct Manufacturing PMI 53.2, Oct Services PMI 50.7, Oct Vehicle Sales y/y -30.2%

Rubber Futures Report:

Rubber Futures prices closed the week sharply lower on concern of a slowing Chinese economy as new wave of delta variant spread across many cities causing some flights to cancel. There is also worries on the bond payment defaults by some major Chinese property developers that may have contagion effect to other sectors. As China economic data like PMI showed a contraction, some traders are expecting vehicle sales to slow and may result in weakening demand for tires in the coming months. Warehouse rubber stocks at both Shanghai exchanges were higher rising more than 12,000 tonnes and 6,000 tonnes respectively. Japan OSE rubber futures fell 5.6% while SHFE and INE fell 8% and 7.4% respectively while SICOM was down 3.6%. Trading volume was generally lower due to holidays in Japan, Singapore and Malaysia. On world news, US Fed kept interest rate unchanged at 0.00-0.25% but will start scaling back (tapering) USD 15B of bond buying later this month. US reported a lower Oct Unemployment rate 4.6% & a stronger Non-farm payroll of 531,000 which brought Dow Jones Index to new high. House passed USD 1T infra-structure bill.

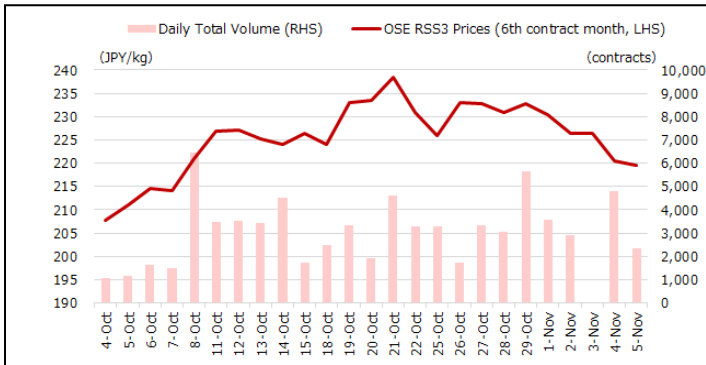
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Nov 21	207.8	-11.7	SCR/RSS Jan 22	13,920	-1,205	Dec 21	168.8	-6.4	RSS3 Mar 22	64.20	-3.0
Dec 21	209.7	-11.0	SCR/RSS May 22	14,105	-1,135	Jan 22	169.1	-6.4	RSS3 Apr 22	65.15	-3.25
Jan 22	211.2	-12.4	Total Vol.	2,106,959	-1,708,217	Feb 22	169.6	-6.5	JRF Mar 22	217.0	-10.4
Feb 22	213.1	-11.8	Total OI	256,660	-214	Mar 22	170.2	-6.2	JRF Apr 22	221.0	-6.4
Mar 22	215.3	-13.7	INE TSR Jan 22	11,000	-885	Apr 22	170.9	-6.1	ICEX Last (INR)	Net	
Apr 22	219.6	-13.2	INE TSR Feb 22	11,095	-835	May 22	171.5	-5.9	RSS4 Nov 21	17,456	+23
Total Vol.	13,663	-3,408	Total Vol.	151,879	-88,904	Total Vol.	33,922	-906	MCX Last (INR)	Net	
Total OI	9,612	-319	Total OI	42,747	+991	Total OI	40,698	-1,712	RSS4 Nov 21	17,953	+218

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 Oct)	9,530	-72
Shanghai SHFE Rubber Stocks (ton, 5 Nov)	297,456	+12,243
Shanghai INE Rubber Stocks (ton, 5 Nov)	46,585	+6,148
China Vehicle Total Sales (unit, 30 Sep)	2,067,099	+268,258
China Passenger Car Sales (unit, 30 Sep)	1,750,517	+198,530
China Commercial Car Sales (unit, 30 Sep)	316,582	+69,728
US Unemployment Rate (% Oct)	4.6	-0.2
US Non-Farm Payroll (Oct)	531,000	+219,000
Japan Unemployment Rate (% Sep)	2.8	0.0
Japan PMI (Sept)	53.7	+1.4
Japan Tankan Large Manufacturing (3Q)	+18	+4
China PMI (Sept)	49.6	-0.5
China GDP 3Q (%)	+4.9	-3.0

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	113.41	-0.54
EUR/USD	1.1567	+0.0009
GBP/USD	1.3498	-0.0184
USD/CHF	0.9127	-0.0034
AUD/USD	0.7400	-0.0118
USD/CNY	6.3988	-0.0068
USD/INR	74.4563	-0.4237
USD/SGD	1.3502	+0.0014
USD/MYR	4.1595	+0.0192
USD/THB	33.256	-0.025
USD/IDR	14,331	+163
USD/VND	22,698	-54

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	29,611.57	+718.88
TOPIX Japan	2,041.42	+40.24
Dow Jones US	36,327.95	+508.39
S&P 500 US	4,697.53	+92.15
Nasdaq US	15,971.59	+473.20
CSI 300 China	4,842.35	-66.42
Shanghai China	3,491.57	-55.77
HSI Hong Kong	24,870.51	-506.73
STI Singapore	3,242.34	+44.17
KLCI Malaysia	1,531.73	-30.58
SET Thailand	1,626.22	+2.79
IDX Indonesia	6,581.79	-9.56
VSE Vietnam	1,456.51	+12.24

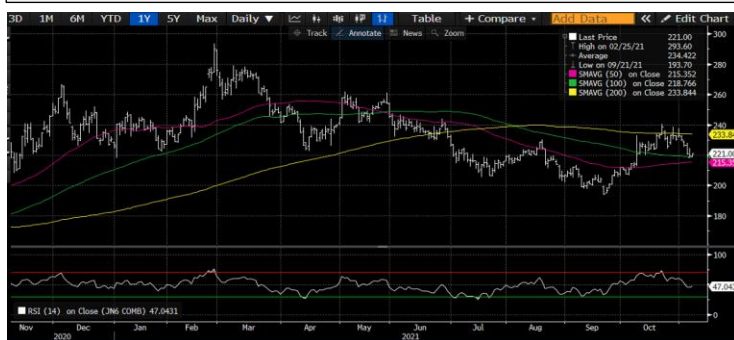
Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 21	29,620	+840
JPX TOPIX Dec 21	2,035.5	+43.0
JPX NK 400 Dec 21	18,345	+395
JPX TSE REIT Dec 21	2,088.5	+0.5
JPX NK 225 VI Dec 21	20.40	-1.65
JPX JGB 10 Year Dec 21	151.83	+0.51
JPX Gold 1 Kg Oct 22	6,550	+3
JPX Mini Gold 100g Oct 22	6,550	+3
JPX Gold Rolling Spot	6,553	+2
JPX Silver Oct 22	87.4	+0.1
JPX Platinum Oct 22	3,769	+81
JPX Palladium Oct 22	7,337	+290
JPX Corn Nov 22	37,870	-1,110

Source: JPX

Rubber Trading – Technical Analysis OSE April Rubber futures:

OSE active April futures closed lower at 219.6 (-13.2) and prices were down all week although it was closed for Culture Day holiday at mid-week Wed. Some support levels were broken and April touched a low of 218.3 and closed below the 220.0 level. The starting of a previous bull market had suddenly turned around and become bearish which caught many by surprise. RSI is now at 47% and next week range is expected to trade between 215.3 and 233.8.



Source: Bloomberg

Rubber Trading – SGX SICOM Jan Futures Technical Analysis:

SICOM Jan futures fell in-line with some strong selling from overseas markets. Jan futures broken through crucial support at 171.5-172.0 level and touched a low of 165.9 before recovered to close at 169.1. Sentiment has changed from bullish to bearish and many traders were caught off guard by the quick turn-around. Support now is seen at 165-166 and resistance at 170/171 level with further stronger resistance at 175/176 levels. RSI is at 43.4%. Expected range next week 165.0-174.5



Source: Bloomberg

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