



# The Japan Rubber Futures Weekly Report:

05 July 2021 – 09 July 2021

**Note:** Japan May Leading Index lower at 102.6, May Coincident Index 92.7 and June FX Reserve at USD 1,387.5 Billion

## Rubber Futures Report:

Rubber Futures prices closed the week mixed with RSS3 prices fell on the OSE market while markets in China and Singapore were higher. There were heavy short coverings on both the SHFE and INE markets all week and some speculative buying pushed rubber prices to close about 5% higher in the Chinese exchanges. SICOM rubber futures closed about 3% higher in active trading and some spread switches from Aug to Sept contracts. OSE rubber futures seem oversold at current level which RSI is indicating at 30.7% and a rebound may be imminent. On Global news, there is concern that China economic growth may be slowly down and the PBOC may be easing monetary policy to stimulate its economy as CPI in June was lower at -0.4% on month. China is actively clamping down on offshore listing is also another negative news. Crude oil prices hit a 7 year high after OPEC+ meeting could not agree on a 400,000 barrels/day production hike by UAE. US equities recorded new highs as Fed minutes of meeting suggested officials are not ready for tightening policy. Gunmen assassinated Haitian President Jovenel Moise at his residence brought chaos to Haiti.

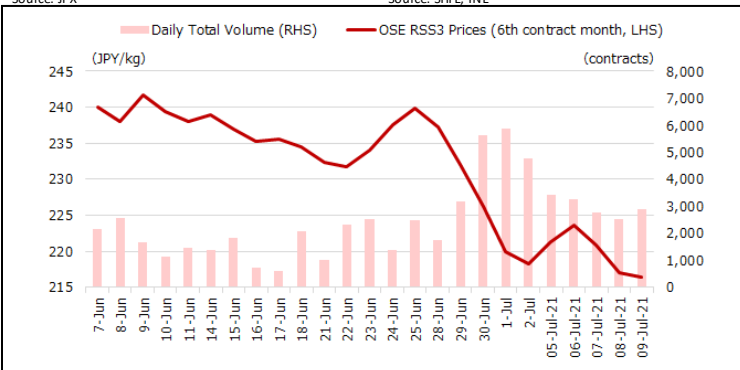
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (US\$)	Net	TFEX	Last (THB)	Net
Jul 21	215.0	-8.0	SCR/RSS Sep 21	13,385	+640	Aug 21	162.7	+5.8	RSS3 Nov 21	61.70	+1.70
Aug 21	216.5	-7.0	SCR/RSS Jan 22	14,380	+440	Sep 21	162.3	+5.2	RSS3 Dec 21	61.85	+1.85
Sep 21	214.5	-7.3	<b>Total Vol.</b>	<b>2,764,911</b>	<b>+828,314</b>	Oct 21	163.0	+5.1	JRF Nov 21	217.10	-1.5
Oct 21	216.5	-2.6	<b>Total OI</b>	<b>316,476</b>	<b>-18,456</b>	Nov 21	163.6	+4.9	JRF Dec 21	217.50	-1.5
Nov 21	216.4	-1.6	INE TSR Sep 21	10,730	+425	Dec 21	164.4	+5.0	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
Dec 21	216.4	-1.8	INE TSR Oct 21	10,885	+440	Jan 22	165.2	+5.2	RSS4 Aug 21	17,256	+68
<b>Total Vol.</b>	<b>14,823</b>	<b>-6,366</b>	<b>Total Vol.</b>	<b>126,791</b>	<b>-29,732</b>	<b>Total Vol.</b>	<b>31,279</b>	<b>+9,728</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>12,808</b>	<b>+232</b>	<b>Total OI</b>	<b>32,316</b>	<b>-3,631</b>	<b>Total OI</b>	<b>34,941</b>	<b>+265</b>	RSS4 July 21	16,899	+39

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)	8,667	+164
Shanghai SHFE Rubber Stocks (ton, 9 July)	188,158	+3,872
Shanghai INE Rubber Stocks (ton, 9 July)	54,020	-1,611
China Vehicle Total Sales (unit, 31 May)	2,127,721	-124,071
China Passenger Car Sales (unit, 31 May)	1,646,037	-58,003
China Commercial Car Sales (unit, 31 May)	481,684	-66,068
US Unemployment Rate (% June)	5.9	+0.1
US Non-Farm Payroll (June)	850,000	+267,000
Japan Unemployment Rate (% May)	3.0	+0.2
Japan PMI (June)	51.5	-1.5
Japan Tankan Large Manufacturing (2Q)	+14	+9
China PMI (June)	50.9	-0.1
China GDP 1Q (%)	+18.3	+11.8

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	110.14	+0.09
EUR/USD	1.1876	+0.0011
GBP/USD	1.3901	+0.0077
USD/CHF	0.9147	-0.0062
AUD/USD	0.7488	-0.0038
USD/CNY	6.4790	+0.0060
USD/INR	74.6375	-0.1112
USD/SGD	1.3511	+0.0044
USD/MYR	4.1917	+0.0292
USD/THB	32.57	+0.273
USD/IDR	14,527.5	-5.5
USD/VND	22,991	-6

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,940.42	-842.86
TOPIX Japan	1,912.38	-43.93
Dow Jones US	34,870.16	+83.81
S&P 500 US	4,369.55	+17.21
Nasdaq US	14,701.92	+62.60
CSI 300 China	5,069.44	-11.68
Shanghai China	3,524.09	+5.33
HSI Hong Kong	27,344.54	-965.88
STI Singapore	3,131.40	+2.45
KLCI Malaysia	1,520.58	-12.77
SET Thailand	1,552.09	-26.40
IDX Indonesia	6,039.84	+16.83
VSE Vietnam	1,347.14	-73.13

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 21	28,210	-550
JPX TOPIX Sep 21	1,928.5	-26
JPX NK 400 Sep 21	17,350	-240
JPX TSE REIT Sep 21	2,156.5	+12.5
JPX NK 225 VI July 21	18.95	+2.0
JPX JGB 10 Year Sep 21	152.22	+0.3
JPX Gold 1 Kg Jun 22	6,367	-8
JPX Mini Gold 100g Jun 22	6,367	-8
JPX Gold Rolling Spot	6,363	-12
JPX Silver Jun 22	91.9	+2.3
JPX Platinum Jun 22	3,781	-109
JPX Palladium Jun 22	10,181	+481
JPX Corn July 22	33,620	-2,740

Source: JPX

### Rubber Trading – Technical Analysis (OSE Dec Rubber futures):

OSE Dec futures closed 1.8 lower at 216.4. It touched a low on Friday at 212.2 and trading volume was light, and market was down all week. Prices remain bearish and trading below the 200-day MA which is at 237.0. RSI remains on the low side at 30.7%. The RSS3 market remains weaker than the TSR20 which closed higher. Dec futures support is at 212.0 then after is 205.0 and resistance is at 225.0 then 237.0 (200 MA). There is a chance of a rebound since Dec futures is near oversold level.



Source: Bloomberg

### Rubber Trading – Inter-Market Arbitrage (INE vs SICOM Aug Rubber):

The arbitrageur who long INE Aug and sold SICOM Aug at +8.4 some weeks ago is not reaping any profits since as the spread was slow to widen. On Friday the INE/SICOM Aug inter-market spread closed at +9.8 which barely give any profit to the Arbitrageur. The arbitrageur maintains his position as this strategy takes time to widen. The medium value is +53 and the arbitrageur is looking to unwind his position at +40 with his stops maintain at -10. He will square off as Aug will expire soon.



Source: Bloomberg

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