



# The Japan Rubber Futures Weekly Report:

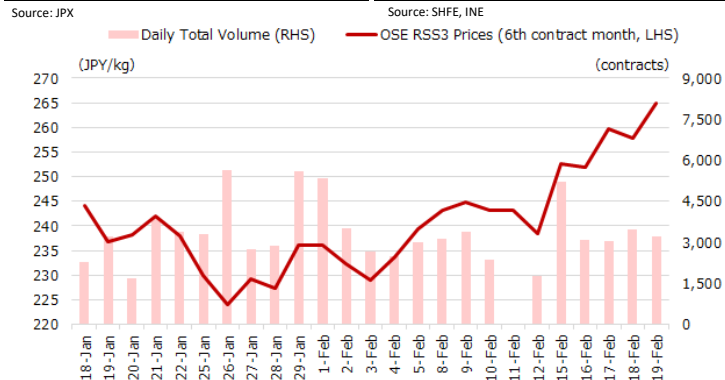
15 Feb. 2021 – 19 Feb. 2021

**Note:** Japan Rubber Market will be closed on Tuesday 23 Feb 2021 for Emperor's Birthday holiday.

## Rubber Futures Report:

Rubber Futures prices closed the week higher on strong physical and speculative buying across all markets. There is concern that the rally in commodity prices could trigger higher inflation as US Bond yield climbed to its highest level since Feb 2020. US 10-Year Note yield closed at 1.336% while the Long Bond 30-Year closed at 2.13% as investors forecast a strong global economic recovery this year. There was also strong Chinese buying out from the SHFE on Thurs and Friday after the Spring Festival holidays as speculators piled up new positions of more than 300,000 tonnes. Physical rubber remains tight as buyers had to pay premiums for nearby month deliveries as Wintering started to set in in the Northern Hemisphere typically in Vietnam, Cambodia and Thailand. On Global news, US Treasury Secretary Janet Yellen pushed for big stimulus relief package and said tax hike may be needed for infrastructure. WTO has appointed former Nigeria finance minister Ngozi Okonjo-Iweala to head its organisation. Japan Jan trade balance improved to -JPY 323.9B while its core Machinery Orders in Dec was a sterling +5.2% Singapore reported its GDP -5.4% in 2020.

OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Feb 21	252.8	+6.2	SCR/RSS May 21	15,425	+755	Mar 21	170.6	+8.9	RSS3 Jun 21	72.40	+3.9
Mar 21	259.0	+17.9	SCR/RSS Sep 21	15,485	+725	Apr 21	171.4	+8.2	RSS3 Jul 21	72.40	+3.9
Apr 21	264.0	+23.6	<b>Total Vol.</b>	<b>1,098,098</b>	<b>-330,014</b>	May 21	172.6	+7.7	JRF Jun 21	263.6	+21.5
May 21	261.4	+22.3	<b>Total OI</b>	<b>293,163</b>	<b>+33,825</b>	Jun 21	173.7	+7.8	JRF Jul 21	266.9	+24.2
Jun 21	262.5	+24.0	INE TSR Apr21	11,375	+580	Jul 21	174.8	+7.8	<b>ICEX Last (INR)</b>	<b>Net</b>	
Jul 21	265.0	+26.5	INE TSR May21	11,480	+580	Aug 21	175.3	+7.5	RSS4 Mar 21	15,958	+228
<b>Total Vol.</b>	<b>18,047</b>	<b>+7,374</b>	<b>Total Vol.</b>	<b>99,677</b>	<b>-2,697</b>	<b>Total Vol.</b>	<b>35,385</b>	<b>+16,221</b>	<b>MCX Last (INR)</b>	<b>Net</b>	
<b>Total OI</b>	<b>12,625</b>	<b>+334</b>	<b>Total OI</b>	<b>56,119</b>	<b>+3,327</b>	<b>Total OI</b>	<b>51,624</b>	<b>+1,406</b>	RSS4 Feb 21	16,249	+969



Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 10 Feb)	4,765	-515
Shanghai SHFE Rubber Stocks (ton, 19 Feb)	174,746	0
Shanghai INE Rubber Stocks (ton, 19 Feb)	61,387	-785
China Vehicle Total Sales (unit, 31 Jan)	2,503,168	-328,077
China Passenger Car Sales (unit, 31 Jan)	2,044,769	-330,332
China Commercial Car Sales (unit, 31 Jan)	458,399	+2255
US Unemployment Rate (% Jan)	6.3	-0.4
US Non-Farm Payroll (Jan)	+49,000	+189,000
Japan Unemployment Rate (% Dec)	2.9	0
Japan PMI (Feb)	50.6	+0.8
Japan Tankan Large Manufacturing (31/12)	-10	+17
China PMI (Jan)	51.3	-0.6
China GDP 4Q (%)	+6.5	+1.6

FOREX	Last	Net
USD/JPY	105.45	+0.51
EUR/USD	1.2119	-0.0001
GBP/USD	1.4016	+0.0167
USD/CHF	0.8963	+0.0044
AUD/USD	0.7869	+0.0108
USD/CNY	6.4577	-0.0005
USD/INR	72.6512	-0.1038
USD/SGD	1.3240	-0.0011
USD/MYR	4.0422	+0.0009
USD/THB	29.978	+0.093
USD/IDR	14,065	+92
USD/VND	23,015	+19

Stock Index	Last	Net
NK225 Japan	30,017.92	+497.85
TOPIX Japan	1,928.95	-4.93
Dow Jones US	31,494.32	+35.92
S&P 500 US	3,906.71	-28.12
Nasdaq US	13,874.46	-221.01
CSI 300 China	5,778.84	-28.88
Shanghai China	3,696.17	+41.08
HSI Hong Kong	30,644.73	+471.16
STI Singapore	2,880.64	-44.84
KLCI Malaysia	1,584.93	-14.49
SET Thailand	1,500.51	-7.84
IDX Indonesia	6,231.93	+9.41
VSE Vietnam	1,173.50	+58.57

JPX Derivatives	Last	Net
JPX NK225 Mar 21	30,040	+710
JPX TOPIX Mar 21	1,930.0	+2.0
JPX NK 400 Mar 21	17,475	+50
JPX TSE REIT Mar 21	1,927.0	+13.0
JPX NK 225 VI Mar 21	25.55	+0.85
JPX JGB 10 Year Mar 21	151.19	-0.47
JPX Gold 1 Kg Dec 21	6,034	-119
JPX Mini Gold 100g Dec 21	6,034	-119
JPX Gold Rolling Spot	6,031	-122
JPX Silver Dec 21	92.50	+0.80
JPX Platinum Dec 21	4,280	+184
JPX Palladium Dec 21	7,921	+231
JPX Corn Jan 22	28,860	-530

### Rubber Trading – Calendar Spread Analysis:

The spreader who sold the OSE Apr/July calendar spread at +6 is delighted that the spread has gone to -2.1 (below) The forward curve of the OSE rubber futures has turned from backwardation market into a flat curve and then to a Contango market. The spreader closed his short spread position and bought back at -2.0 given some 8 ticks profit. The market is likely to remain contango for a while meaning the far month will be priced more expensive than the nearby months. The spreader is now square and look for another new opportunity.

### Rubber Trading – Technical Analysis:

The analyst noticed that the OSE July rubber futures was in consolidation phase since mid-Nov till the first week in Feb and had formed a symmetrical triangular formation. The breakout that happened this week after breaking 239/240 levels is a bullish signal and prices are likely to follow up further. Prices are also staying above the 50-day moving average and the projected target could be as far as 310 level. The analyst believes prices will continue to rally further with occasionally profit taking as RSI (14 days) is nearing an overbought condition at 67%.



Source: Bloomberg

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