



# The Japan Rubber Futures Weekly Report:

22 Feb. 2021 – 26 Feb. 2021

## Rubber Futures Report:

Rubber Futures prices closed the week firmer in active and volatile trading. There were both strong physical and speculative funds buying on the back of commodity prices rallying as concern of inflationary pressure as 10-Year Bond yield climbed to its highest level in 1 year at 1.55% on Thurs before retreating to close at 1.41%. Global stock markets were hit hard by this rising yield. Commodity hedge funds were estimated to have purchased more than 300,000-400,000 tonnes last week which INE TSR20 rubber futures hit limit up on Wed evening session while SHFE May futures briefly touched limit up on Thurs. On Friday trading, there were heavy profit taking and funds long liquidation where prices fell sharply from an over-bought position. Trading volume was higher than normal. On other related news, US Goodyear Tire has agreed to buy Cooper Tire for US\$2.8B strengthening its No.1 position in the US. Fed Chairman Powell in his Testimony to the Senate Banking committee affirmed to keep buying bonds to bring full employment and played down fear on inflation. US House passed stimulus relief bill of USD 1.9T and US 4Q GDP was revised to +4.1%.

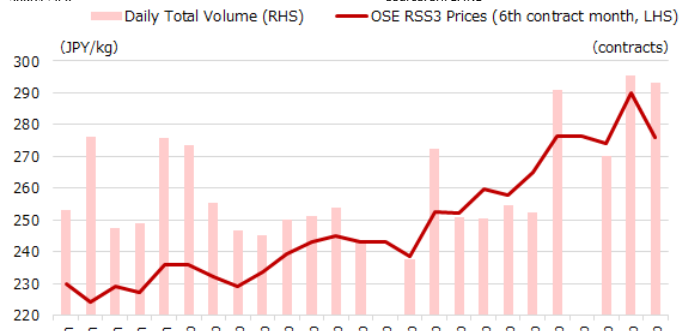
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Mar 21	271.4	+12.4	SCR/RSS May 21	16,460	+1,035	Mar 21	200.0	Expired	RSS3 Jul 21	78.90	+6.5
Apr 21	270.6	+6.6	SCR/RSS Sep 21	16,500	+1,015	Apr 21	177.0	+5.6	RSS3 Aug 21	78.95	+6.05
May 21	266.0	+4.6	<b>Total Vol.</b>	<b>4,625,402</b>	<b>+3,527,304</b>	May 21	177.9	+5.3	JRF Jul 21	285.9	+19.0
Jun 21	273.0	+10.5	<b>Total OI</b>	<b>297,311</b>	<b>+4,148</b>	Jun 21	179.0	+5.3	JRF Aug 21	287.6	+20.6
Jul 21	273.8	+8.8	INE TSR Apr21	12,435	+1,060	Jul 21	179.9	+5.1	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
Aug 21	275.9	New	INE TSR May21	12,490	+1,010	Aug 21	180.7	+5.4	RSS4 Mar 21	16,327	+369
<b>Total Vol.</b>	<b>26,976</b>	<b>+8,929</b>	<b>Total Vol.</b>	<b>335,528</b>	<b>+235,851</b>	<b>Total Vol.</b>	<b>62,834</b>	<b>+26,999</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>13,003</b>	<b>+378</b>	<b>Total OI</b>	<b>52,765</b>	<b>-3,354</b>	<b>Total OI</b>	<b>51,973</b>	<b>+349</b>	RSS4 Mar 21	16,280	-209

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 Feb)	4,943	+178
Shanghai SHFE Rubber Stocks (ton, 26 Feb)	174,846	+100
Shanghai INE Rubber Stocks (ton, 26 Feb)	61,216	-171
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	+2,255
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

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	106.57	+1.12
EUR/USD	1.2075	-0.0044
GBP/USD	1.3933	-0.0083
USD/CHF	0.9085	+0.0122
AUD/USD	0.7706	-0.0163
USD/CNY	6.4737	+0.016
USD/INR	73.4688	+0.8176
USD/SGD	1.3321	+0.0081
USD/MYR	4.0498	+0.0076
USD/THB	30.436	+0.458
USD/IDR	14,235	+170
USD/VND	23,018	+3

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,966.01	-1,051.91
TOPIX Japan	1,864.49	-64.46
Dow Jones US	30,932.37	-561.95
S&P 500 US	3,811.15	-95.56
Nasdaq US	13,192.35	-682.11
CSI 300 China	5,336.76	-442.08
Shanghai China	3,509.08	-187.09
HSI Hong Kong	28,980.21	-1,664.52
STI Singapore	2,949.04	+68.40
KLCI Malaysia	1,577.75	-7.18
SET Thailand	1,496.78	-3.73
IDX Indonesia	6,241.80	+9.87
VSE Vietnam	1,168.47	-5.03

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Mar 21	29,250	-790
JPX TOPIX Mar 21	1,875.5	-54.5
JPX NK 400 Mar 21	16,985	-490
JPX TSE REIT Mar 21	1,929.0	+2.0
JPX NK 225 VI Mar 21	27.60	+2.05
JPX JGB 10 Year Mar 21	150.62	-0.57
JPX Gold 1 Kg Dec 21	6,023	-11
JPX Mini Gold 100g Dec 21	6,023	-11
JPX Gold Rolling Spot	6,016	-15
JPX Silver Dec 21	93.8	+1.3
JPX Platinum Dec 21	4,139	-141
JPX Palladium Dec 21	8,152	+231
JPX Corn Mar 22	29,190	+330

Source: JPX

### Rubber Trading – Calendar Spread Analysis:

This week the spreader looks at a calendar spread between OSE June/July rubber futures and June futures closed at 273.0 while July futures at 273.8 which gives at spread at -0.8 (273.0-273.8). The spreader assume that the curve steepening may occur, and the far month could be higher resulting in more negative in the June/July spread. The spreader sells the spread (sell near, buy far) Sell June & Buy July at -0.8 and look to profit at -4.0/-4.5 level with a stop at +2.0 in case the spread turns the other way.

### Rubber Trading – Technical Analysis:

The breakout from the symmetrical triangle saw OSE Aug rubber futures prices rallied sharply touching 6-month highs at 293.6 on Thursday. The RSI (14) went over 75% over-bought territory. Heavy profit taking set in on Friday bringing down the RSI to 62%. The new Aug futures contract sees a gap at 265-269 levels and the possibility of Aug futures retreating to those levels is likely to happen. The analyst advocates a buy when prices close the gap and place a sell-stop at below 245.0 which is below the 50-day moving average and expect market to trend higher.



Source: Bloomberg



Source: Bloomberg

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