



The Japan Rubber Futures Weekly Report:

28 June 2021 – 02 July 2021

Note: Japan May Unemployment Rate 3.0%, June PMI higher at 52.4%, May Retail Sales +8.2% & May Industrial Production -5.9%

Rubber Futures Report:

Rubber Futures prices closed the week lower on concern of sluggish car sales and a moderating economy in China. There is also talk that global shortages of computer chips are also delaying logistics & delivery of vehicles. Rubber prices is also down on speculative selling as supplies are likely to go full swing after the wintering period in the Northern Hemisphere. OSE rubber futures fell about 9% on increased selling interest as volume doubled in a week while SICOM rubber futures saw prices down 5% in light volume. The rubber market appeared to be oversold technically after weeks of continued selling and a rebound is highly possible from current level. On Global markets, the G20 Foreign ministers meeting in Italy preparing a G20 Summit in Rome in Oct. OPEC+ meeting was adjourned to Mon as UAE is unwilling to compromise on the proposed production hike. China PMI in June was higher at 50.9 against 50.8 expectation. US June Unemployment rate was higher at 5.9% but new jobs created was a surprisingly strong +850,000 in non-farm payroll. Crude oil WTI closed strongly at \$75.16 while US Equity markets closed at new records in both SP500 & NASDAQ.

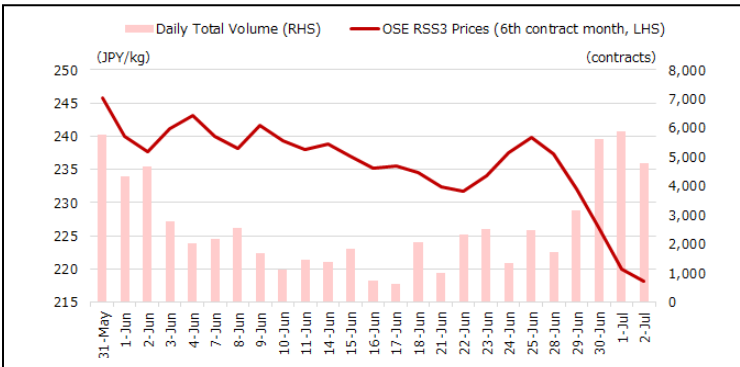
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Jul 21	223.0	-16.7	SCR/RSS Sep 21	12,745	-410	Jul 21	162.9	Expired	RSS3 Nov 21	60.00	-6.3
Aug 21	223.5	-18.1	SCR/RSS Jan 22	13,940	-385	Aug 21	156.9	-8.4	RSS3 Dec 21	60.00	-6.3
Sep 21	221.8	-18.2	Total Vol.	1,936,597	-232,870	Sep 21	157.1	-8.7	JRF Nov 21	218.6	-19.4
Oct 21	219.1	-21.5	Total OI	334,932	+24,570	Oct 21	157.9	-8.6	JRF Dec 21	219.0	-19.0
Nov 21	218.0	-22.8	INE TSR Aug 21	10,175	-600	Nov 21	158.7	-8.7	ICEX Last (INR)	Net	
Dec 21	218.2	-21.7	INE TSR Sep 21	10,305	-620	Dec 21	159.4	-8.7	RSS4 July 21	17,188	-159
Total Vol.	21,189	+11,514	Total Vol.	156,523	+21,033	Total Vol.	21,551	-9,895	MCX Last (INR)	Net	
Total OI	12,576	+1,377	Total OI	35,947	-7,758	Total OI	34,676	-431	RSS4 July 21	16,860	+10

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 June)	8,503	-132
Shanghai SHFE Rubber Stocks (ton, 2 July)	184,286	+752
Shanghai INE Rubber Stocks (ton, 2 July)	55,631	-2,027
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	111.05	+0.30
EUR/USD	1.1865	-0.0070
GBP/USD	1.3824	-0.0055
USD/CHF	0.9209	+0.0036
AUD/USD	0.7526	-0.0064
USD/CNY	6.4730	+0.0168
USD/INR	74.7487	+0.5599
USD/SGD	1.3467	+0.0044
USD/MYR	4.1625	+0.0058
USD/THB	32.297	+0.485
USD/IDR	14,533	+108
USD/VND	22,997	-15

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,783.28	-282.90
TOPIX Japan	1,956.31	-6.34
Dow Jones US	34,786.35	+352.51
S&P 500 US	4,352.34	+71.64
Nasdaq US	14,639.32	+278.92
CSI 300 China	5,081.12	-158.85
Shanghai China	3,518.76	-88.8
HSI Hong Kong	28,310.42	-977.80
STI Singapore	3,128.95	+7.35
KLCI Malaysia	1,533.35	-26.33
SET Thailand	1,578.49	-4.18
IDX Indonesia	6,023.01	+0.61
VSE Vietnam	1,420.27	+30.15

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 21	28,760	-280
JPX TOPIX Sep 21	1,954.5	-4.0
JPX NK 400 Sep 21	17,590	-70
JPX TSE REIT Sep 21	2,144.0	+20.5
JPX NK 225 VI July 21	16.95	-0.85
JPX JGB 10 Year Sep 21	151.92	+0.20
JPX Gold 1 Kg Apr 22	6,375	+36
JPX Mini Gold 100g Apr 22	6,375	+36
JPX Gold Rolling Spot	6,375	+44
JPX Silver Apr 22	94.2	+0.4
JPX Platinum Apr 22	3,904	-6
JPX Palladium Jun 22	9,700	New
JPX Corn July 22	36,360	+2,870

Source: JPX

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

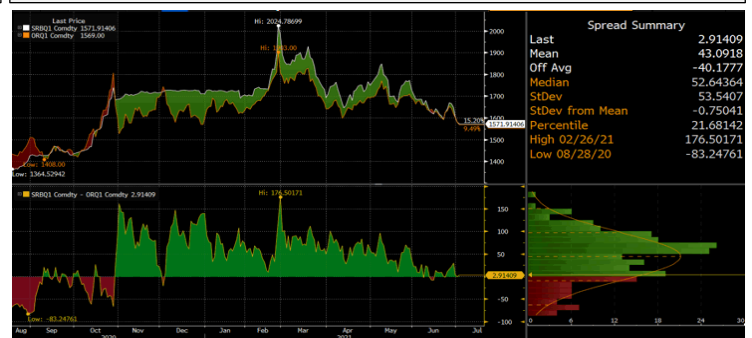
OSE Dec futures fell sharply and closed at 218.2 on Friday. The persistent weakness and selling from the overseas Chinese exchanges are having a negative impact on the OSE markets. Dec futures broke through the 200-day MA at 236.0 and touch a low of 214.8 on Friday. The market had fell 9% from previous week and RSI (14 day) is oversold at 27.5%. As prices in in oversold territory a rebound is highly likely next week. Resistance is seen at 236.0 and 240.0 while support is at 214.0 and then 206.8.



Source: Bloomberg

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

The arbitrageur who took on an inter-market spread between long INE Aug and short SICOM Aug futures at +8.4 a few weeks ago is still waiting for the spread to widen. On Friday the spread narrowed back to +3 (10,175/6.4730) = 1572-1569 after touching a high of +29 on 29 June. The arbitrageur is looking to exit anyway between +35 to +40 although the medium is about +52. The arbitrageur continues to hold the Long INE/Short SICOM inter-market position and keep its sell stop at -10.0.



Source: Bloomberg

Contact us

Kensuke Yazu

Derivatives Business Development
Osaka Exchange, Inc.

Tel: +81 (0) 50 3377 8645

Email: deri-w1@jpx.co.jp

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