



The Japan Rubber Futures Weekly Report:

02 Aug 2021 – 06 Aug 2021

Note: Japan July Mfg PMI 53.0, Tokyo July Core CPI +0.1%, June Coincident Index 94.0 & June Leading Index 104.1

Rubber Futures Report:

Rubber Futures prices closed the week higher on fresh speculative buying as sentiment improved after the market crossed certain technical levels. On the Japan OSE market, some short covering was seen in thin trading volume. Strong speculative buying from both the Chinese exchanges lifted prices to 2 months high on both SHFE and INE exchanges. There was also active switching of Sept futures to Jan22 futures on the SHFE market and now Jan futures has become the lead month. On the SGX SICOM market, prices closed higher after Oct and Nov futures broke through technical resistance level at 170.0. There is concern that the wide-spreading delta variant affecting many producing countries in Asia may slow rubber production while the opening of travel and easing restrictions in US and Europe may see an increase in demand for vehicles and rubber. On other news, China vehicle sales in July fell 13.8% on year to 1.82m units according to the Automobile Association. US July Unemployment rate was lower at 5.4% and Non-farm was a sterling 943,000 new jobs. US Infra-structure USD1T bill may have pushed equity markets to record highs.

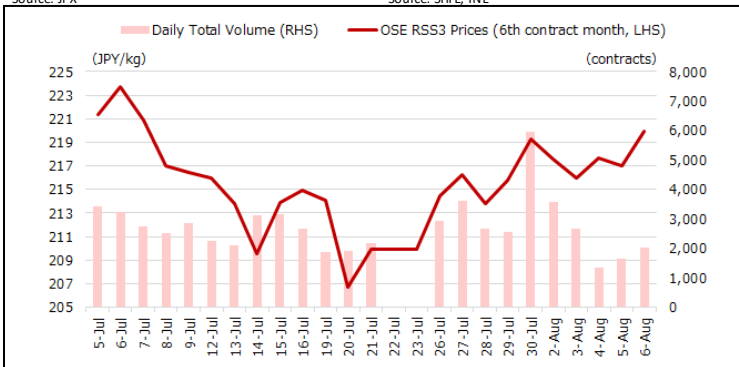
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (US\$)	Net	TFEX	Last (THB)	Net
Aug 21	209.0	-2.7	SCR/RSS Sep 21	13,550	+120	Sep 21	173.4	+4.9	RSS3 Dec 21	65.60	+3.65
Sep 21	212.7	+0.1	SCR/RSS Jan 22	14,770	+250	Oct 21	172.6	+4.3	RSS3 Jan 22	65.95	+3.55
Oct 21	216.8	+1.9	Total Vol.	2,307,667	+50,663	Nov 21	172.9	+4.4	JRF Dec 21	221.5	+2.2
Nov 21	217.6	+2.3	Total OI	332,838	+12,917	Dec 21	173.2	+4.1	JRF Jan 22	223.5	+4.0
Dec 21	219.0	+1.7	INE TSR Sep 21	11,140	+55	Jan 22	173.7	+4.0	ICEX	Last (INR)	Net
Jan 22	219.9	+0.6	INE TSR Oct 21	11,315	+100	Feb 22	174.5	+4.1	RSS4 Aug 21	17,198	+72
Total Vol.	11,285	-6,454	Total Vol.	93,742	-2,526	Total Vol.	28,012	-5,027	MCX	Last (INR)	Net
Total OI	12,296	-706	Total OI	32,393	+1,163	Total OI	36,617	+1,850	RSS4 Aug 21	17,900	+499

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 July)	8,024	-313
Shanghai SHFE Rubber Stocks (ton, 6 Aug)	201,150	+4,400
Shanghai INE Rubber Stocks (ton, 6 Aug)	46,137	-1,037
China Vehicle Total Sales (unit, 30 June)	2,015,309	-112,412
China Passenger Car Sales (unit, 30 June)	1,569,081	-76,956
China Commercial Car Sales (unit, 30 June)	446,228	-35,456
US Unemployment Rate (% July)	5.9	+0.1
US Non-Farm Payroll (July)	850,000	+267,000
Japan Unemployment Rate (% June)	2.9	-0.1
Japan PMI (July)	53.0	+0.8
Japan Tankan Large Manufacturing (2Q)	+14	+9
China PMI (July)	50.4	-0.5
China GDP 2Q (%)	+7.9	-10.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	110.25	+0.53
EUR/USD	1.1762	-0.0108
GBP/USD	1.3872	-0.0032
USD/CHF	0.9148	+0.0089
AUD/USD	0.7356	+0.0012
USD/CNY	6.4831	+0.0217
USD/INR	74.1550	-0.26
USD/SGD	1.3548	+0.0004
USD/MYR	4.2192	-0.0013
USD/THB	33.438	+0.538
USD/IDR	14,353	-109.5
USD/VND	22,934	-13

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,820.04	+536.45
TOPIX Japan	1,929.34	+28.26
Dow Jones US	35,208.51	+273.04
S&P 500 US	4,436.52	+41.26
Nasdaq US	14,835.76	+163.08
CSI 300 China	4,921.56	+110.39
Shanghai China	3,458.23	+60.87
HSI Hong Kong	26,179.40	+218.37
STI Singapore	3,177.18	+10.24
KLCI Malaysia	1,489.80	-4.80
SET Thailand	1,521.72	-0.2
IDX Indonesia	6,203.43	+133.39
VSE Vietnam	1,341.45	+31.40

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 21	27,840	+490
JPX TOPIX Sep 21	1,931.0	+26.0
JPX NK 400 Sep 21	17,350	+250
JPX TSE REIT Sep 21	2,139.5	-9.0
JPX NK 225 VI Sep 21	21.10	-2.15
JPX JGB 10 Year Sep 21	152.30	0.00
JPX Gold 1 Kg Jun 22	6,359	-78
JPX Mini Gold 100g Jun 22	6,359	-78
JPX Gold Rolling Spot	6,352	-77
JPX Silver Jun 22	88.8	-0.9
JPX Platinum Jun 22	3,553	-190
JPX Palladium Jun 22	9,310	+24
JPX Corn July 22	34,200	+60

Source: JPX

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

OSE Jan futures had a mild rally in line with higher prices on SHFE and from an oversold position in the past few weeks. Jan futures settled at 219.9 and the week's high was 220.4. RSI 14 days recovered to 50.5% and still have room on the upside. Support is seen at 216.0 then 211.0 with resistance at 226.8 (50 day moving average) and 237.0. Although prices have recovered, the bearish short term trend remains intact. We are expecting a trading range of 237.0-213.0 next week.



Source: Bloomberg

Rubber Trading – Calendar Spread (SICOM Oct/Nov Spread):

The SICOM Oct settled at 172.6 while the Nov settled at 172.9 making the spread at -0.3 (172.6-172.9) on Friday closing. On 2 Aug, the calendar spread traded +0.1 (see chart below) and the spreader had a stop loss at par was triggered. The spreader was down with 6 ticks as he shorted the spread at -0.6 a few weeks ago. Unfortunately, the spread closed at -0.3 again on Friday and the spreader has no further position. The spreader will re-look for another strategy in the future.



Source: Bloomberg

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