



The Japan Rubber Futures Weekly Report:

04 Oct 2021 – 08 Oct 2021

Note: Tokyo Sep CPI Y/Y higher +0.3%, Aug Leading Index lower at 101.8 and Aug Coincident Index 91.5

Rubber Futures Report:

Rubber Futures prices closed the week higher across all Exchanges after the Chinese Golden Week holidays. OSE futures were up nearly 5% on good trading volume on Friday with some renewed buying. SHFE and INE markets were up +2.3% and +2.5% respectively with commercial and speculative buying. There was a talk of Chinese buying before the End Year holidays for deliveries before the CNY. SICOM rubber futures were rising steadily all week in quiet trading and closed +2.3%. Strong physical demand and strong crude oil prices were the main reasons for the rally. Rubber warehouse stocks continue to increase on both SHFE and INE. Crude oil WTI rallied to a high of \$80.11 per barrel on tight supplies after OPEC did not further increase production. There was also positive news that US president Biden and China's Xi Jinping may hold a virtual summit before the year end. On world news, US Senate had approved a temporary increase of USD 480B in the Debt ceiling until Dec to avert a government shutdown. US Sept unemployment rate fell to 4.8% but Non-farm payroll was a surprising weak figure 194,000, Aug Non-farm was revised higher to 366,000.

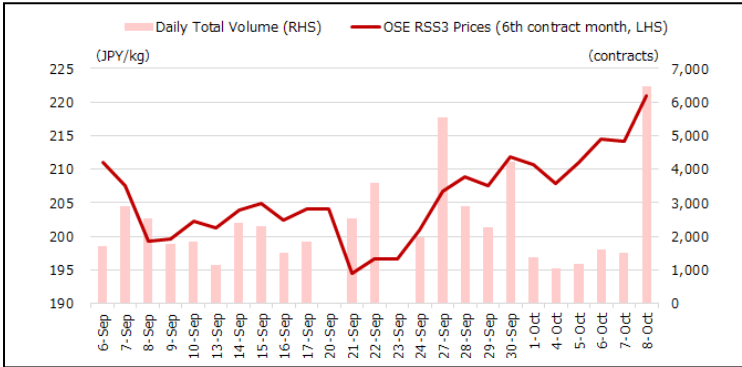
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Oct 21	201.0	+3.7	SCR/RSS Jan 22	14,390	+335	Nov 21	170.8	+4.3	RSS3 Feb 22	63.05	+0.55
Nov 21	205.1	+4.3	SCR/RSS May 22	14,570	+350	Dec 21	170.5	+3.9	RSS3 Mar 22	64.20	-1.10
Dec 21	209.7	+7.1	Total Vol.	279,944	-1,124,942	Jan 22	171.0	+3.7	JRF Feb 22	217.1	+10.6
Jan 22	214.3	+9.0	Total OI	224,816	+11,299	Feb 22	171.4	+3.6	JRF Mar 22	221.0	+12.4
Feb 22	217.7	+10.6	INE TSR Dec 21	11,590	+285	Mar 22	171.8	+3.4	ICEX	Last (INR)	Net
Mar 22	221.0	+10.3	INE TSR Jan 22	11,605	+305	Apr 22	172.3	+3.4	RSS4 Oct 21	17,435	+12
Total Vol.	11,785	-4,506	Total Vol.	22,710	-102,076	Total Vol.	18,246	-9,609	MCX	Last (INR)	Net
Total OI	12,456	+543	Total OI	37,956	+1,362	Total OI	37,035	+1,673	RSS4 Oct 21	17,000	-100

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 Sep)	9,392	+324
Shanghai SHFE Rubber Stocks (ton, 8 Oct)	247,859	+4,578
Shanghai INE Rubber Stocks (ton, 8 Oct)	33,996	+201
China Vehicle Total Sales (unit, 31 Aug)	1,798,841	-64,709
China Passenger Car Sales (unit, 31 Aug)	1,551,987	+592
China Commercial Car Sales (unit, 31 Aug)	246,854	-65,301
US Unemployment Rate (% Sep)	4.8	-0.4
US Non-Farm Payroll (Sep)	194,000	-172,000
Japan Unemployment Rate (% Aug)	2.8	0.0
Japan PMI (Sept)	53.7	+1.4
Japan Tankan Large Manufacturing (3Q)	+18	+4
China PMI (Sept)	49.6	-0.5
China GDP 2Q (%)	+7.9	-10.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	112.24	+1.19
EUR/USD	1.1569	-0.0027
GBP/USD	1.3615	-0.0031
USD/CHF	0.9275	-0.0036
AUD/USD	0.7309	+0.0051
USD/CNY	6.4437	-0.0011
USD/INR	74.9925	+0.8675
USD/SGD	1.3545	-0.0026
USD/MYR	4.1775	-0.0015
USD/THB	33.88	+0.218
USD/IDR	14,223	-85
USD/VND	22,763	+8

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,048.94	-722.13
TOPIX Japan	1,961.85	-24.46
Dow Jones US	34,746.25	+419.79
S&P 500 US	4,391.34	+34.30
Nasdaq US	14,579.54	+12.84
CSI 300 China	4,929.94	+63.56
Shanghai China	3,592.17	+24.0
HSI Hong Kong	24,837.85	+262.21
STI Singapore	3,112.81	+61.70
KLCI Malaysia	1,563.90	+39.42
SET Thailand	1,639.41	+34.24
IDX Indonesia	6,481.77	+252.93
VSE Vietnam	1,372.73	+37.84

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 21	28,120	-700
JPX TOPIX Dec 21	1,966.0	-21.0
JPX NK 400 Dec 21	17,715	-180
JPX TSE REIT Dec 21	2,025.5	+15.5
JPX NK 225 VI Nov 21	23.70	-0.40
JPX JGB 10 Year Dec 21	151.32	-0.25
JPX Gold 1 Kg Aug 22	6,321	+61
JPX Mini Gold 100g Aug 22	6,321	+61
JPX Gold Rolling Spot	6,325	+61
JPX Silver Aug 22	81.3	+2.60
JPX Platinum Aug 22	3,518	+101
JPX Palladium Aug 22	6,905	-95
JPX Corn Sep 22	36,800	+1,620

Source: JPX

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

OSE Mar active futures settled sharply higher at 221.0. Prices broke through short term downtrend line and resistances at 212.0 and 224.0 and touched a high of 233.1. The market seems to have a reversal from its downtrend from the rally. Mar futures may have a slight pull back but likely to resume its upside strength. RSI is now at 64.1% and upside potential is still there. Support seen at 220.0 and 212.0 and new resistances at 233.1 and 234.7 (200 MA), Buy dips may be suggested.



Source: Bloomberg

Rubber Trading – INE Dec/Jan Spread Strategy Analysis:

The Dec/Jan INE spread was not traded during the Chinese Golden Week holidays which only resumed on Friday. However, prices settled at Dec 11,590 and Jan settled at 11,605 given the spread at -15 (11,590-11,605). The spreader who shorted the spread at +5 is seeing some small gain of about 20 points (+5)-(-15). The spreader is expecting the spread to further narrow to -80 to -100 before he closes his positions. He maintained his stop loss GTC at +50 to avoid any major loss.



Source: Bloomberg

Contact us

Kensuke Yazu

Derivatives Business Development
Osaka Exchange, Inc.

Tel: +81 (0) 50 3377 8645

Email: deri-w1@jpx.co.jp

Disclaimer

The copy rights for this document belong to Japan Exchange Group ("JPX") and part or all of this document shall not be reproduced, republished, uploaded, linked, posted, transmitted, adapted, copied, translated, modified, edited or otherwise displayed or distributed in any manner without JPX's prior consent.

This document is not an offer or solicitation to buy or sell, nor financial advice or recommendation for any investment product. This document is for general circulation of overview of JPX's Futures Markets only. It does not address the specific investment objectives, financial situation or particular needs of any person. Advice should be sought from a financial adviser regarding the suitability of any investment product before investing or adopting any investment strategies. Use of and/or reliance on this document is entirely at the reader's own risk. Investment products are subject to significant investment risks, including the possible loss of the principal amount invested. Past performance of investment products is not indicative of their future performance. Examples provided are for illustrative purposes only.

The information contained in this document has been compiled by a designated person/company from sources believed to be reliable, but no representation or warranty, express or implied, is made by JPX and the person/company as to its fairness, accuracy, completeness or correctness. JPX shall not be responsible or liable, whether under contract, tort including negligence or otherwise, for any loss or damage of any kind, whether direct, indirect or consequential losses, or other economic loss of any kind, including without limitation loss of profit, loss of reputation and loss of opportunity suffered or incurred by any person due to any omission, error, inaccuracy, incompleteness, or otherwise, any reliance on such information, or arising from and/or in connection with this document.

The information in this document is subject to change without notice and is provided in good faith but without legal responsibility or liability