

The Japan Rubber Futures Weekly Report:

05 Apr. 2021 – 09 Apr. 2021

Rubber Futures Report:

Rubber Futures prices closed the week lower across all exchanges and touched its lowest levels in 4 months. The rally in Jan and Feb had fizzled out and strong speculative selling dominated the week. Despite some tightness in the physical market, we saw strong daily selling from the SHFE estimated at about more than 450,000 tonnes all week. Volume was generally lower across all exchanges, but Open Interest have increased on both SHFE and INE markets signalling new short positions created. There was also market talk that funds are flowing back into equities as the Fed maintain low interest policy reported in the Fed minutes of meeting and this has created new record highs on both the Dow Jones Index and the S&P 500 Index. Some profit taking were seen in commodity prices which could have affected rubber prices. On economic news, China Mar PMI by Caixin was reported stronger at 53.1 while US Mar PPI was also stronger at 1.0% could be a sign of higher inflation forthcoming. Swiss major bank Credit Suisse took a big loss of USD 4.7B on its loans to hedge funds Archegos Capital. The 10 Year note yield closed at 1.658% lower from previous week.

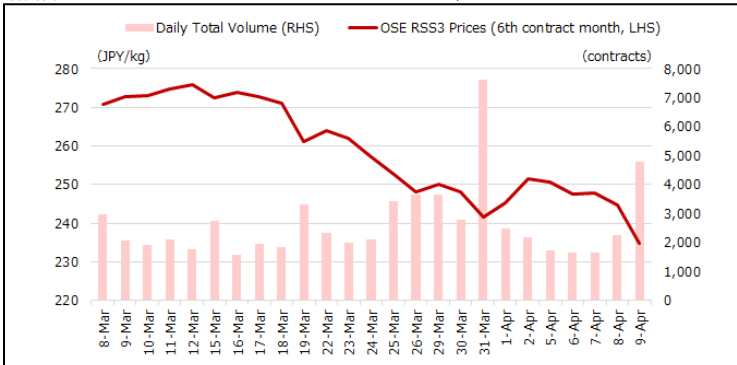
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Apr 21	231.7	-9.3	SCR/RSS May 21	13,660	-325	May 21	162.8	-0.8	RSS3 Jul 21	67.60	-1.05
May 21	231.0	-12.4	SCR/RSS Sep 21	13,870	-370	Jun 21	163.1	-0.1	RSS3 Aug 21	67.30	-1.35
Jun 21	232.0	-13.9	Total Vol.	1,659,745	-911,178	Jul 21	163.4	-0.3	JRF Aug 21	237.5	-13.0
Jul 21	234.2	-13.6	Total OI	318,821	+45,381	Aug 21	164.5	+0.3	JRF Sep 21	236.8	-15.2
Aug 21	233.8	-16.2	INE TSR Jun 21	10,925	-315	Sep 21	164.7	-0.3	ICEX	Last (INR)	Net
Sep 21	234.8	-16.7	INE TSR Jul 21	11,030	-340	Oct 21	165.6	-0.3	RSS4 May 21	17,093	-95
Total Vol.	12,065	-6,627	Total Vol.	80,627	-90,346	Total Vol.	23,935	-2,163	MCX	Last (INR)	Net
Total OI	11,511	+67	Total OI	55,187	+1,460	Total OI	43,568	-206	RSS4 Apr 21	16,580	-571

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 Mar)	7,839	+607
Shanghai SHFE Rubber Stocks (ton, 9 Apr)	177,602	+796
Shanghai INE Rubber Stocks (ton, 9 Apr)	59,684	-1,039
China Vehicle Total Sales (unit, 31 Mar)	2,525,000	+1,070,194
China Passenger Car Sales (unit, 31 Mar)	1,874,000	+718,113
China Commercial Car Sales (unit, 31 Mar)	651,000	+352,081
US Unemployment Rate (% Mar)	6.0	-0.2
US Non-Farm Payroll (Mar)	+916,000	+448,000
Japan Unemployment Rate (% Feb)	3.0	+0.1
Japan PMI (Mar)	52.7	+1.3
Japan Tankan Large Manufacturing (31/3)	+5	+15
China PMI (Mar)	51.9	+1.3
China GDP 4Q (%)	+6.5	+1.6

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	109.67	-1.02
EUR/USD	1.1899	+0.0140
GBP/USD	1.3707	-0.0125
USD/CHF	0.9242	+0.0019
AUD/USD	0.7623	+0.0013
USD/CNY	6.5526	-0.0144
USD/INR	74.7462	+0.1792
USD/SGD	1.3415	-0.0046
USD/MYR	4.1340	-0.0055
USD/THB	31.376	+0.188
USD/IDR	14,565	+40
USD/VND	23,063	-10

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	29,768.06	-85.94
TOPIX Japan	1,959.47	-12.15
Dow Jones US	33,800.60	+647.39
S&P 500 US	4,128.80	+108.93
Nasdaq US	13,900.19	+420.08
CSI 300 China	5,035.34	-126.22
Shanghai China	3,450.68	-33.71
HSI Hong Kong	28,698.80	-240.14
STI Singapore	3,184.54	+2.86
KLCI Malaysia	1,612.25	+26.90
SET Thailand	1,566.34	-29.93
IDX Indonesia	6,070.21	+58.75
VSE Vietnam	1,231.66	+7.21

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 21	29,770	-160
JPX TOPIX Jun 21	1,960.0	-17.0
JPX NK 400 Jun 21	17,680	-155
JPX TSE REIT Jun 21	2,047.5	+51.5
JPX NK 225 VI Apr 21	17.90	-1.80
JPX JGB 10 Year Jun 21	151.24	+0.23
JPX Gold 1 Kg Feb 22	6,152	+18
JPX Mini Gold 100g Feb 22	6,152	+18
JPX Gold Rolling Spot	6,164	+33
JPX Silver Feb 22	90.6	+1.1
JPX Platinum Feb 22	4,277	+17
JPX Palladium Feb 21	9,305	-189
JPX Corn Mar 22	32,630	+1,100

Source: JPX

Rubber Trading – Technical Analysis (OSE Sept Rubber):

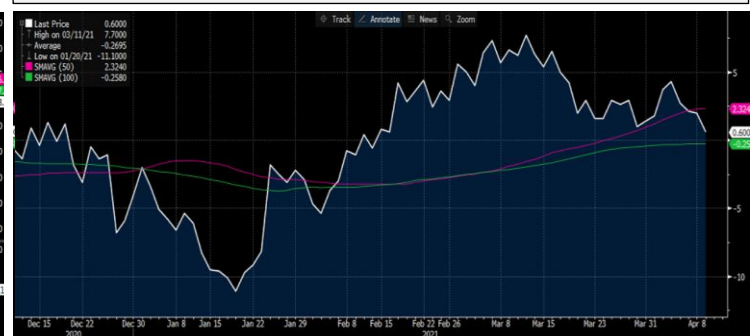
OSE Rubber Sept futures traded lower and broke through critical support at 241/242 levels and touched a low of 234.6 on 9 April. Prices have been drifting down all week with no recovery in sight and trading below the 50- and 100-days moving averages. The market is beginning to be clearly more bearish although RSI is on the lower end at 36%. The next few support levels are 231.4, 228.0 and then 222.0 any recovery may be limited to 245.0 and 247.0 next week as strong resistance seen.



Source: Bloomberg

Rubber Trading – OSE July, Aug Sept Butterfly Spread:

The spreader observed that Aug is cheaper than July and Sept futures, and he decided to put on a Bear calendar July/Aug spread and at the same time put on a Bull Aug/Sept spread. Meaning the spreader chance upon a Short Butterfly on July/Aug/Sept. Base on the closing the Butterfly is +0.6 (-234.2 + 233.8) – (233.8 – 234.8) or (-0.4+1.0) = +0.6 the spreader is expecting the spread to be anywhere -5/-4 before he decides to close his position. He also placed a buy stop at +5.0



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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