

The Japan Rubber Futures Weekly Report:

11 Oct 2021 – 15 Oct 2021

Note: Japan Sept CPI were lower at 0.0% m/m and +0.7% y/y. Industrial Production in Aug -3.6% on month.

Rubber Futures Report:

Rubber Futures prices closed the week higher in almost all exchanges in active trading. Prices were higher on tight physical supplies, year-end buying from the Chinese dealers and speculators before the CNY deliveries and influenced by a very strong crude oil price. There was also expectation that countries are beginning to open up their borders for traveling and a rebound in global economic recovery. Prices were up between 1.5%-2.5% where new speculative buying were seen in both SHFE and INE markets. OSE rubber futures were up 2.5% with some profit taking seen but fresh buying were seen as OI rose substantially at both the Chinese exchanges and also at SICOM market. On global news, China central bank said Property giant Evergrande's debt is manageable despite missing 3 interest payments on its bond. The Nikkei market and Wall Street stocks surged after both CPI and PPI figures were lower easing inflationary fear. The next Fed meeting will be on 2-3 Nov which investors will watch closely on Fed tapering. US reported strong Sep Retail sales +0.7% and weekly Jobless claims was lower at 293,000. Bitcoin traded above USD 60,000 on Friday.

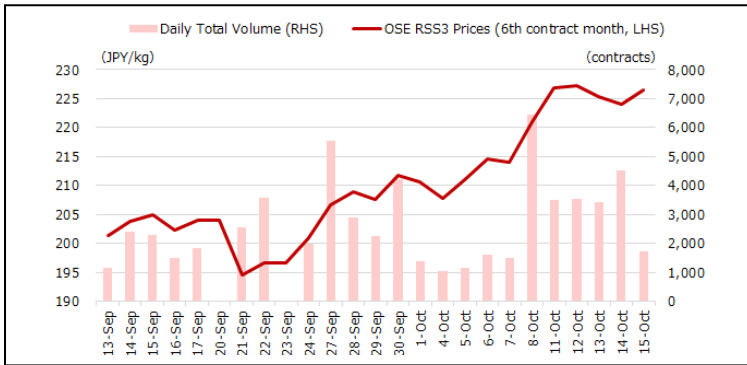
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Oct 21	210.3	+9.3	SCR/RSS Jan 22	14,590	+200	Nov 21	174.4	+3.6	RSS3 Feb 22	64.00	+0.95
Nov 21	213.7	+8.6	SCR/RSS May 22	14,760	+190	Dec 21	173.9	+3.4	RSS3 Mar 22	65.15	+0.95
Dec 21	216.0	+6.3	Total Vol.	2,539,876	+2,259,932	Jan 22	174.0	+3.0	JRF Feb 22	222.9	+5.8
Jan 22	218.2	+3.9	Total OI	251,529	+26,713	Feb 22	174.6	+3.2	JRF Mar 22	227.0	+6.0
Feb 22	222.9	+5.2	INE TSR Dec 21	11,660	+70	Mar 22	175.3	+3.5	ICEX	Last (INR)	Net
Mar 22	226.5	+5.5	INE TSR Jan 22	11,605	0	Apr 22	175.9	+3.6	RSS4 Nov 21	17,390	-45
Total Vol.	16,720	+4,935	Total Vol.	149,064	+126,354	Total Vol.	42,971	+24,725	MCX	Last (INR)	Net
Total OI	11,492	-964	Total OI	43,732	+5,776	Total OI	40,423	+3,388	RSS4 Oct 21	16,955	-45

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, 15 Oct)	250,694	+2,835
Shanghai INE Rubber Stocks (ton, 15 Oct)	36,313	+2,317
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	114.22	+1.98
EUR/USD	1.1601	+0.0032
GBP/USD	1.3751	+0.0136
USD/CHF	0.9229	-0.0046
AUD/USD	0.7421	+0.0112
USD/CNY	6.4357	-0.0080
USD/INR	75.2588	+0.2663
USD/SGD	1.3483	-0.0062
USD/MYR	4.1575	-0.0200
USD/THB	33.432	-0.448
USD/IDR	14,075	-148
USD/VND	22,749	-14

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	29,068.63	+1,019.69
TOPIX Japan	2,023.93	+62.08
Dow Jones US	35,294.76	+548.51
S&P 500 US	4,471.37	+80.03
Nasdaq US	14,897.34	+317.80
CSI 300 China	4,932.11	+2.17
Shanghai China	3,572.37	-19.80
HSI Hong Kong	25,330.96	+493.11
STI Singapore	3,173.91	+61.10
KLCI Malaysia	1,598.28	+34.38
SET Thailand	1,638.34	-1.07
IDX Indonesia	6,633.34	+151.57
VSE Vietnam	1,392.70	+19.97

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 21	29,120	+1,000
JPX TOPIX Dec 21	2,028.0	+62.0
JPX NK 400 Dec 21	18,285	+570
JPX TSE REIT Dec 21	2,086.5	+61.0
JPX NK 225 VI Nov 21	20.90	-2.80
JPX JGB 10 Year Dec 21	151.45	+0.13
JPX Gold 1 Kg Aug 22	6,562	+241
JPX Mini Gold 100g Aug 22	6,562	+241
JPX Gold Rolling Spot	6,568	+243
JPX Silver Aug 22	86.5	+5.2
JPX Platinum Aug 22	3,849	+331
JPX Palladium Aug 22	7,777	+872
JPX Corn Sep 22	37,400	+600

Source: JPX

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

The OSE Mar active contract settled at 226.5 on Friday. Prices broke through the downtrend resistance and traded above the resistance line. Mar futures is likely to remain firm in the short term and touched an important 200 MA resistance at 234.4. Support is expected to be at 224.6 and followed by 213.0 both 50 and 100 MA. RSI (14 days) is 66.5% and a likely further correction is possible before testing the high again.



Source: Bloomberg

Rubber Trading – INE Dec/Jan Spread Strategy Analysis:

The INE Dec futures and Jan futures settled at 11,660 and 11,605 respectively. The Dec/Jan intra-market spread is +55 (11,660-11,605). The spreader who shorted the Dec/Jan spread at +15 had a buy stop at +50 and was stopped out at +50. The Dec/Jan spread traded as high at +75 in the week as there is a squeeze on the front month due to a shortage in delivery and rubber stocks have been declining for months. The spreader shorted at +15 and bought back at +50 suffered a loss 35.



Source: Bloomberg

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