

The Japan Rubber Futures Weekly Report:

13 Sept 2021 – 17 Sept 2021

Note: Japan PPI Aug lower 0.0 on month, +5.5% on year, July Core Machinery orders lower +0.9% on month

Rubber Futures Report:

Rubber Futures prices closed the week firmer across all exchanges. There were lots of position squaring and short covering ahead of holidays on Monday in Japan and in China. OSE rubber futures closed almost 1% higher but trading was generally quiet. SHFE closed +3.1% in lower volume but there were lots of positions closing which saw Open Interest fall sharply. On INE market, short covering pushed prices +6.3% in active trading as warehouse stocks continue to fall to its lowest level this year at 36,171 tonnes. On rubber news, Thailand's government planned to spend Baht 10.1B (USD 307m) to subsidize income of farmers hit by falling rubber prices. In Ivory Coast, there was an unconfirmed report that a new law that only allowed processed rubber to be exported had brought lots of uncertainty to cup-lump exporters. OSE will launch its extension of rubber futures contracts to 12 months from Tues 21 Sept. On global news, US stocks retreated after uncertainty on the newly proposed tax hike from 21% to 26.5% & profit taking set in. US PPI was lower in Aug at +0.3% while Retail sales was strong +0.7%. China Aug Industrial Production was lower at 5.3%.

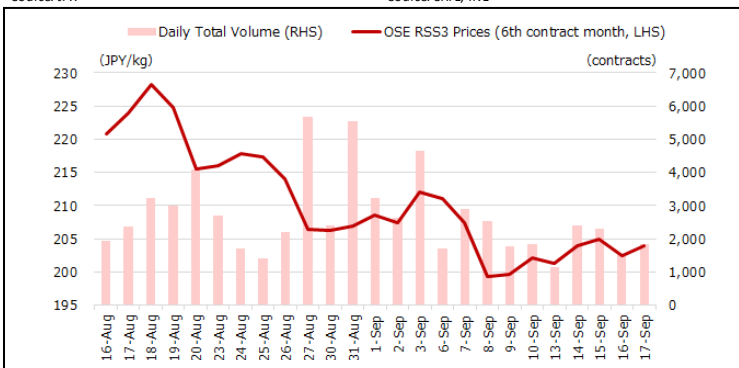
| OSE RSS3 | Last (JPY) | Net | SHFE/INE | Last (CNY) | Net | SICOM TSR20 | Last (USC) | Net | TFEX | Last (THB) | Net |
|-------------------|---------------|---------------|-------------------|------------------|-----------------|-------------------|---------------|---------------|-------------|-------------------|------------|
| Sep 21 | 194.5 | +7.2 | SCR/RSS Jan 22 | 13,780 | +420 | Oct 21 | 164.0 | +4.2 | RSS3 Jan 22 | 60.55 | +2.25 |
| Oct 21 | 196.4 | +6.2 | SCR/RSS May 22 | 13,940 | +415 | Nov 21 | 164.2 | +4.0 | RSS3 Feb 22 | 61.25 | +2.30 |
| Nov 21 | 198.8 | +4.4 | Total Vol. | 1,564,376 | -131,144 | Dec 21 | 164.7 | +3.8 | JRF Jan 22 | 202.4 | +3.30 |
| Dec 21 | 201.3 | +3.2 | Total OI | 221,268 | -53,092 | Jan 22 | 165.2 | +3.7 | JRF Feb 22 | 204.0 | +3.50 |
| Jan 22 | 202.4 | +2.3 | INE TSR Nov 21 | 11,210 | +665 | Feb 22 | 166.1 | +3.8 | ICEX | Last (INR) | Net |
| Feb 22 | 204.0 | +1.8 | INE TSR Dec 21 | 11,110 | +530 | Mar 22 | 166.8 | +3.6 | RSS4 Oct 21 | 17,648 | -229 |
| Total Vol. | 9,174 | -1,520 | Total Vol. | 121,918 | +6,491 | Total Vol. | 27,394 | -377 | MCX | Last (INR) | Net |
| Total OI | 11,500 | -226 | Total OI | 35,126 | -7,024 | Total OI | 33,966 | -1,486 | RSS4 Sep 21 | 17,450 | +196 |

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

| Important Data / Stock levels | Last | Net |
|--|-----------|----------|
| Japan OSE Rubber Stocks (ton, 10 Sep) | 8,541 | +274 |
| Shanghai SHFE Rubber Stocks (ton, 17 Sep) | 236,651 | +4,471 |
| Shanghai INE Rubber Stocks (ton, 17 Sep) | 36,171 | -1,130 |
| China Vehicle Total Sales (unit, 31 July) | 1,863,550 | -151,759 |
| China Passenger Car Sales (unit, 31 July) | 1,551,395 | -17,686 |
| China Commercial Car Sales (unit, 31 July) | 312,155 | -134,073 |
| US Unemployment Rate (% Aug) | 5.2 | -0.2 |
| US Non-Farm Payroll (Aug) | 235,000 | -818,000 |
| Japan Unemployment Rate (% July) | 2.8 | -0.1 |
| Japan PMI (Aug) | 52.7 | +0.3 |
| Japan Tankan Large Manufacturing (2Q) | +14 | +9 |
| China PMI (Aug) | 50.1 | -0.3 |
| China GDP 2Q (%) | +7.9 | -10.4 |

Source: JPX, SHFE, Bloomberg

| FOREX | Last | Net |
|---------|----------|----------|
| USD/JPY | 109.93 | -0.01 |
| EUR/USD | 1.1725 | -0.0089 |
| GBP/USD | 1.3741 | -0.0098 |
| USD/CHF | 0.9323 | +0.0147 |
| AUD/USD | 0.7279 | +0.0023 |
| USD/CNY | 6.4661 | +0.0218 |
| USD/INR | 73.4837 | -0.00163 |
| USD/SGD | 1.3485 | +0.0070 |
| USD/MYR | 4.1715 | +0.0360 |
| USD/THB | 32.294 | +0.564 |
| USD/IDR | 14,222.5 | +19.5 |
| USD/VND | 22,769 | +6 |

Source: Bloomberg

| Stock Index | Last | Net |
|----------------|-----------|-----------|
| NK225 Japan | 30,500.05 | +118.21 |
| TOPIX Japan | 2,100.17 | +8.52 |
| Dow Jones US | 34,584.88 | -22.84 |
| S&P 500 US | 4,432.99 | -25.59 |
| Nasdaq US | 15,044.00 | -71.5 |
| CSI 300 China | 4,855.94 | -157.58 |
| Shanghai China | 3,613.97 | -89.14 |
| HSI Hong Kong | 24,920.76 | -1,285.15 |
| STI Singapore | 3,071.23 | -27.57 |
| KLCI Malaysia | 1,548.51 | -27.46 |
| SET Thailand | 1,625.65 | -9.70 |
| IDX Indonesia | 6,133.25 | -38.38 |
| VSE Vietnam | 1,352.64 | +7.33 |

Source: JPX, Bloomberg

| JPX Derivatives | Last | Net |
|---------------------------|---------|-------|
| JPX NK225 Dec 21 | 30,350 | +190 |
| JPX TOPIX Dec 21 | 2,087.5 | +14.5 |
| JPX NK 400 Dec 21 | 18,850 | +110 |
| JPX TSE REIT Dec 21 | 2,109.5 | -4.5 |
| JPX NK 225 VI Oct 21 | 20.15 | -0.65 |
| JPX JGB 10 Year Dec 21 | 151.71 | -0.11 |
| JPX Gold 1 Kg Aug 22 | 6,227 | -138 |
| JPX Mini Gold 100g Aug 22 | 6,227 | -138 |
| JPX Gold Rolling Spot | 6,224 | -147 |
| JPX Silver Aug 22 | 81.1 | -5.2 |
| JPX Platinum Aug 22 | 3,300 | -144 |
| JPX Palladium Aug 22 | 7,300 | -530 |
| JPX Corn Sep 22 | 34,000 | +300 |

Source: JPX

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

OSE Feb futures traded slightly higher in quiet trading. Feb futures settled at 204.0 up 1.8. Though sentiment was steady and firmer all week, technical factors and outlook remained firmly weak and bearish. Support at 200.0/195.0 is important and any close below 195.0 may likely to fall sharply lower to 175.0/170.0 area. Resistance is 213.4 (50 MA) and further resistance at 220.0. Prices must close above 220.0 to see further upside and reversal. RSI is at 41.8%



Source: Bloomberg

Rubber Trading – SICOM Nov Futures Technical Analysis:

SICOM active Nov futures closed higher +4 cents at 164.2. Prices were steady all week with overseas markets all trading higher. Support was seen at 162.5 then 160.0 while resistance was at 165.5/166.0. A close above 166.0 will likely see prices rally to 170.0 level or higher. 14-day RSI is 47% which is neutral, and chart still see a horizontal band with major base at 155.0-152.0 while top band is 185.0-190.0 and likely to persist until year end.



Source: Bloomberg

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