



# The Japan Rubber Futures Weekly Report:

## 19 July 2021 – 23 July 2021

**Note:** Japan June Trade Balance lower at USD 383.2B, Japan June National Core CPI year on year +0.2%

### Rubber Futures Report:

Rubber Futures prices closed the week lower in most exchanges in relatively quiet trading. Japan OSE exchange was closed for 2 days holiday in shortened trading and also the official opening of the Olympic Game on Friday. On the Chinese exchanges, SHFE trading volume was down sharply on mostly long liquidation and position squaring. Weekly rubber stocks were reported up 3,271 metric tonnes on SHFE while on the INE exchange also experienced liquidation and weekly warehouse stocks fell 4,680 metric tonnes. SGXSICOM rubber futures were also lower in quiet tight trading range. Market sentiment had been depressed by concern of the delta variant spreading across many SE Asian producing countries and weak vehicle sales are not catching up with supplies. On Global markets, US equities are trading at new highs led by strong corporate earnings and lower Bond yield which 10Y closed at 1.281%. Crude oil prices WTI fell to \$66 per barrel but recovered strongly to close at \$71.17 after Saudi Arabia and UAE agreed to production hike. Floods hit Germany and Belgium in Europe and Henan in China causing major damage and more than 58 deaths.

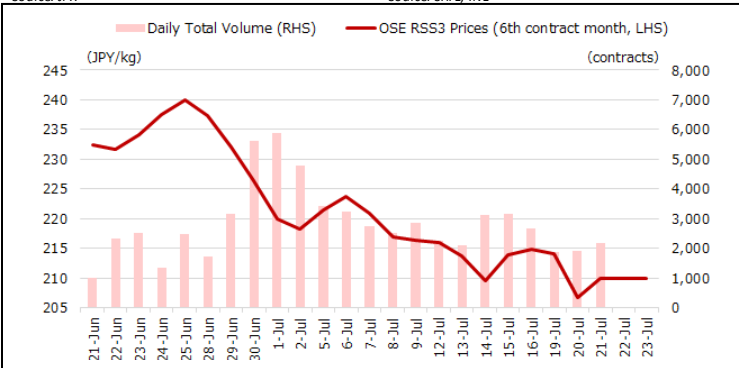
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Jul 21	210.2	-0.9	SCR/RSS Sep 21	13,190	-285	Aug 21	164.5	-1.6	RSS3 Nov 21	61.55	-1.2
Aug 21	208.1	-5.0	SCR/RSS Jan 22	14,235	-285	Sep 21	163.6	-1.9	RSS3 Dec 21	61.65	-1.2
Sep 21	210.9	-3.7	<b>Total Vol.</b>	<b>2,298,884</b>	<b>-367,106</b>	Oct 21	163.9	-1.9	JRF Nov 21	209.4	-8.3
Oct 21	211.5	-4.5	<b>Total OI</b>	<b>319,255</b>	<b>-14,479</b>	Nov 21	164.5	-1.9	JRF Dec 21	209.5	-8.5
Nov 21	209.9	-5.1	INE TSR Sep 21	10,735	-120	Dec 21	165.5	-1.5	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
Dec 21	209.9	-5.0	INE TSR Oct 21	10,880	-120	Jan 22	166.0	-2.0	RSS4 Aug 21	17,140	-39
<b>Total Vol.</b>	<b>5,971</b>	<b>-7,335</b>	<b>Total Vol.</b>	<b>92,915</b>	<b>+9,277</b>	<b>Total Vol.</b>	<b>24,382</b>	<b>-3,149</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>12,824</b>	<b>+205</b>	<b>Total OI</b>	<b>30,268</b>	<b>-2,223</b>	<b>Total OI</b>	<b>34,790</b>	<b>-672</b>	RSS4 July 21	17,405	+385

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 July)	8,337	-330
Shanghai SHFE Rubber Stocks (ton, 23 July)	193,886	+3,271
Shanghai INE Rubber Stocks (ton, 23 July)	47,878	-4,680
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 (% June)	5.9	+0.1
US Non-Farm Payroll (June)	850,000	+267,000
Japan Unemployment Rate (% May)	3.0	+0.2
Japan PMI (June)	51.5	-1.5
Japan Tankan Large Manufacturing (2Q)	+14	+9
China PMI (June)	50.9	-0.1
China GDP 2Q (%)	+7.9	-10.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	110.55	+0.48
EUR/USD	1.1771	-0.0035
GBP/USD	1.3748	-0.0019
USD/CHF	0.9194	0
AUD/USD	0.7366	-0.0035
USD/CNY	6.4813	+0.0021
USD/INR	74.4075	-0.1537
USD/SGD	1.3607	+0.0036
USD/MYR	4.2265	+0.0210
USD/THB	32.937	+0.137
USD/IDR	14,493	-5
USD/VND	22,999	-11

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,548.00	-455.08
TOPIX Japan	1,904.41	-27.78
Dow Jones US	35,061.55	+373.70
S&P 500 US	4,411.79	+84.63
Nasdaq US	14,836.99	+409.75
CSI 300 China	5,089.23	-5.54
Shanghai China	3,550.40	+11.10
HSI Hong Kong	27,321.98	-682.70
STI Singapore	3,157.05	+4.75
KLCI Malaysia	1,523.44	+0.96
SET Thailand	1,545.10	-29.27
IDX Indonesia	6,101.69	+29.18
VSE Vietnam	1,268.83	-30.48

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 21	27,560	-370
JPX TOPIX Sep 21	1,907.5	-19.0
JPX NK 400 Sep 21	17,155	-170
JPX TSE REIT Sep 21	2,126.5	-33.0
JPX NK 225 VI Aug 21	20.90	+0.80
JPX JGB 10 Year Sep 21	152.40	+0.14
JPX Gold 1 Kg Jun 22	6,402	-48
JPX Mini Gold 100g Jun 22	6,402	-48
JPX Gold Rolling Spot	6,385	-71
JPX Silver Jun 22	89.1	-4.6
JPX Platinum Jun 22	3,785	-215
JPX Palladium Jun 22	9,278	-722
JPX Corn July 22	34,790	+130

Source: JPX

### Rubber Trading – Technical Analysis (OSE Dec Rubber futures):

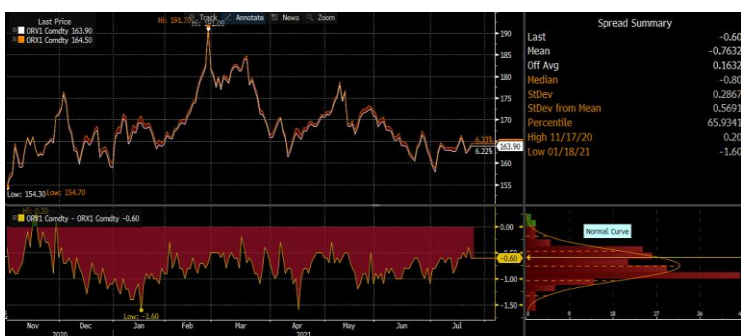
OSE Dec futures had a shortened week of trading due to the public holidays on Thurs and Friday. Prices had a small rebound to a high of 218.0 and low of 206.0 on Tues, it was generally a narrow trading range. Dec futures continues to be on the near oversold position of RSI (14 days) at 33.8% and further rebound or correction is imminent. There is a possibility that Dec may rally to 225.0 which is 7 July high and that proved to be a short-term resistance. Support remains at 205/206 level.

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

SICOM Oct closed at 163.9 while Nov closed at 164.5. The spreader notice that SICOM calendar Oct/Nov spread closed at -0.6 (163.9-164.5) and he take a chance to sell the spread. Meaning he sells Oct and buys Nov at -0.6 and expects the spread to narrow to -1.0 to -1.5 level which is quite normal in a Contango market. The spreader is looking just a 5-7 ticks profit as he expects the spread to narrow. He placed a stop-loss at par (0) in case the market goes against his view.



Source: Bloomberg



Source: Bloomberg

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