

The Japan Rubber Futures Weekly Report:

26 July 2021 – 30 July 2021

Note: Japan June Jobless Rate -0.1 at 2.9%, June Ind. Production higher +6.2%, June Retail Sales higher m/m +3.1%

Rubber Futures Report:

Rubber Futures prices closed the week firmer on renewed speculative and technical buying after weeks of sideways consolidation market. Sentiment has improved together with other commodities as the USD softened after the Fed FOMC continued to keep interest rate low and was not ready to cut back on its monthly bond buying. The Fed Funds rate remained unchanged at 0.00-0.25%. On the OSE market, Jan22 futures contract was added as the July21 contract expired. On the SHFE and INE markets, prices traded higher as traders started to switch Sept futures to Jan futures in cautious trading. SGXSICOM rubber futures saw some short covering buying after prices broke through some technical chart resistance at 166.5, the Aug futures TSR20 contract expired on Friday at 169.6 while the Aug RSS3 expired at 191.8. On Global news, US equities surge several new record highs on good corporate earnings while the Chinese and HK equity markets fell sharply after Chinese government crackdown on companies listed on overseas exchanges. China July Manufacturing PMI was lower at 50.4 from June 50.9. US 2Q GDP was +6.5% lower than expected.

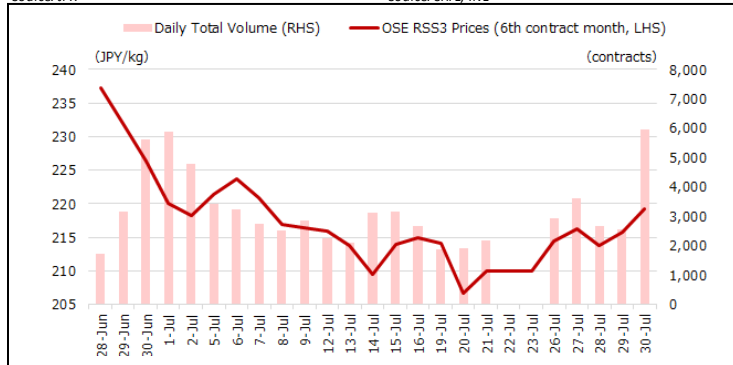
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (US\$)	Net	TFEX	Last (THB)	Net
Aug 21	211.7	+3.6	SCR/RSS Sep 21	13,430	+240	Aug 21	169.6	Expired	RSS3 Dec 21	61.95	+0.3
Sep 21	212.6	+1.7	SCR/RSS Jan 22	13,520	+285	Sep 21	168.5	+4.9	RSS3 Jan 22	62.40	+0.3
Oct 21	214.9	+3.4	Total Vol.	2,257,004	-41,880	Oct 21	168.3	+4.4	JRF Dec 21	219.3	+9.8
Nov 21	215.3	+5.4	Total OI	319,921	+666	Nov 21	168.5	+4.0	JRF Jan 22	219.5	+9.9
Dec 21	217.3	+7.4	INE TSR Sep 21	11,085	+350	Dec 21	169.1	+3.6	ICEX	Last (INR)	Net
Jan 22	219.3	New	INE TSR Oct 21	11,215	+335	Jan 22	169.7	+3.7	RSS4 Aug 21	17,126	-14
Total Vol.	17,739	+11,768	Total Vol.	96,268	+3,353	Total Vol.	33,039	+8,657	MCX	Last (INR)	Net
Total OI	13,002	+178	Total OI	31,230	+962	Total OI	34,767	-23	RSS4 Aug 21	17,401	+599

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 20 July)	8,024	-313
Shanghai SHFE Rubber Stocks (ton, 30 July)	196,750	+2,684
Shanghai INE Rubber Stocks (ton, 30 July)	47,174	-704
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 (% June)	2.9	-0.1
Japan PMI (June)	51.5	-1.5
Japan Tankan Large Manufacturing (2Q)	+14	+9
China PMI (July)	50.4	-0.5
China GDP 2Q (%)	+7.9	-10.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	109.72	-0.83
EUR/USD	1.1870	-0.0099
GBP/USD	1.3904	+0.0156
USD/CHF	0.9059	-0.0135
AUD/USD	0.7344	-0.0022
USD/CNY	6.4614	-0.0199
USD/INR	74.415	+0.0075
USD/SGD	1.3544	-0.0063
USD/MYR	4.2205	-0.0060
USD/THB	32.90	-0.0370
USD/IDR	14,462.5	-30.5
USD/VND	22,947	-52

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,283.59	-264.41
TOPIX Japan	1,901.08	-3.33
Dow Jones US	34,935.47	-126.08
S&P 500 US	4,395.26	-16.53
Nasdaq US	14,672.68	-164.31
CSI 300 China	4,811.17	-278.06
Shanghai China	3,397.36	-153.04
HSI Hong Kong	25,961.03	-1,360.95
STI Singapore	3,166.94	+9.89
KLCI Malaysia	1,494.60	-28.84
SET Thailand	1,521.92	-23.18
IDX Indonesia	6,070.04	-31.65
VSE Vietnam	1,310.05	+41.22

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 21	27,350	-210
JPX TOPIX Sep 21	1,905.0	-2.5
JPX NK 400 Sep 21	17,100	-55
JPX TSE REIT Sep 21	2,148.5	+22
JPX NK 225 VI Aug 21	21.60	+0.70
JPX JGB 10 Year Sep 21	152.30	-0.10
JPX Gold 1 Kg Jun 22	6,437	+35
JPX Mini Gold 100g Jun 22	6,437	+35
JPX Gold Rolling Spot	6,429	+44
JPX Silver Jun 22	89.7	+0.6
JPX Platinum Jun 22	3,743	-42
JPX Palladium Jun 22	9,286	+8
JPX Corn July 22	34,140	-650

Source: JPX

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

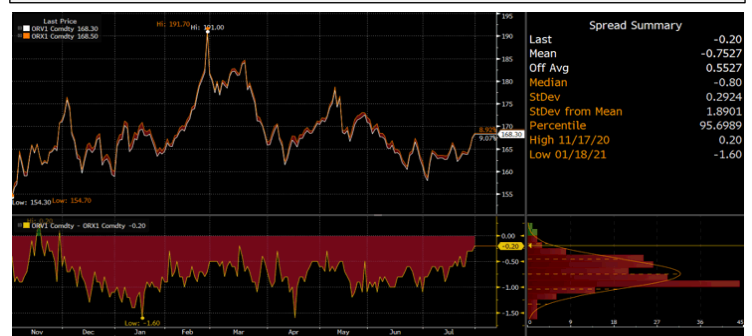
OSE new Jan futures contract comes on board after the expiration of the July contract. Trading is back to normal with an average daily volume of 2,354 lots. The new Jan contract settled at 219.3 which is about almost JPY 10 higher from Dec previous week on light renewed buying. The market was oversold the previous week and now is back to almost neutral with RSI at 49.5%. Support in Jan is seen at 211.0/210 and resistance is at 225.0 then 230.3 (50-day MA). Sentiment is now steady.



Source: Bloomberg

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

The SICOM Oct settled at 168.3 while Nov settled at 168.5, the spread between Oct/Nov calendar spread is trading at -0.2 (168.3-168.5). The spreader who previously shorted the spread at -0.6 seemed to be against him a few points for now. The spreader is hoping to see a return to a Contango market and look for the spread to be about -10 to -12 in normal market condition, he looks to take profit at -10 to -12 and he also placed a stop loss at par in case he is on the wrong side.



Source: Bloomberg

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