

The Japan Rubber Futures Weekly Report:

27 Sept 2021 – 01 Oct 2021

Note: Japan 3Q Tankan Large Mfg stronger +18, Aug Jobless rate 2.8%, Aug Ind. Prod -3.2%, Aug Retail Sales -4.1%

Rubber Futures Report:

Rubber Futures prices closed the week firmer across all exchanges ahead of the long Golden Week holidays in China. China markets will be closed from 01-07 Oct and returned on Friday 8 Oct. There were lots of liquidation and position closings on SHFE which closed +5.6% while on INE some renewed buying seen & prices +5.7%. OSE rubber futures closed 3% higher with light renewed buying in moderate volume. OSE also listed a total of 12 futures contract months from 21 Sep which had attracted some light volume in its forward months. SICOM rubber futures closed +4% in-line with higher prices from overseas markets. Rain and some flooding were reported in Northern and Central Thailand, but no major flood reported in the South as most rubber plantations are concentrated had little impact. On world news, Crude oil prices climbed to a 3 year high at \$76.67 on tight supplies while US stocks took a breather to close lower DJ -471 points on rising bond yield which touched a high of 1.56%. Japan's LDP had chosen Mr. Fumio Kishida as their next PM & China's property company Evergrande missed 2 interest payments had caused jitters in the world markets.

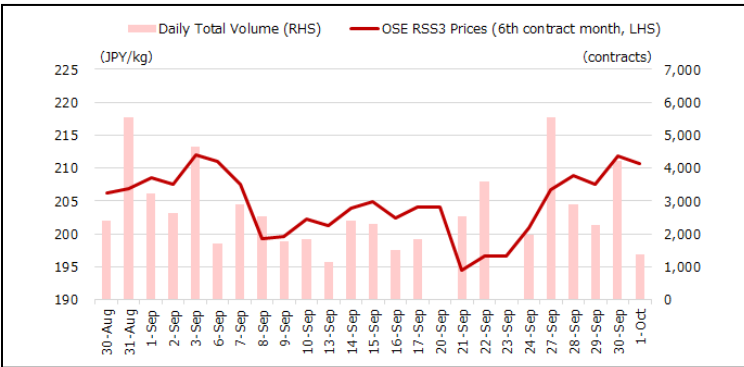
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (US\$)	Net	TFEX	Last (THB)	Net
Oct 21	197.3	+6.8	SCR/RSS Jan 22	14,055	+745	Oct 21	168.0	Expired	RSS3 Feb 22	62.50	+2.0
Nov 21	200.8	+6.9	SCR/RSS May 22	14,220	+725	Nov 21	166.5	+6.6	RSS3 Mar 22	65.30	+3.65
Dec 21	202.6	+5.4	Total Vol.	1,404,886	+718,794	Dec 21	166.6	+6.4	JRF Feb 22	206.5	+6.5
Jan 22	205.3	+7.0	Total OI	213,517	-26,375	Jan 22	167.3	+6.4	JRF Mar 22	208.6	+7.7
Feb 22	207.1	+6.1	INE TSR Dec 21	11,305	+615	Feb 22	167.8	+6.1	ICEX	Last (INR)	Net
Mar 22	210.7	+11.7	INE TSR Jan 22	11,300	+570	Mar 22	168.4	+5.8	RSS4 Oct 21	17,423	+43
Total Vol.	16,291	+8,174	Total Vol.	124,786	+82,429	Total Vol.	27,855	+3,849	MCX	Last (INR)	Net
Total OI	11,913	+789	Total OI	36,594	+2,125	Total OI	35,362	-24	RSS4 Oct 21	17,100	+298

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 Sep)	9,068	+527
Shanghai SHFE Rubber Stocks (ton, 30 Sept)	243,281	+4,110
Shanghai INE Rubber Stocks (ton, 30 Sept)	33,795	+324
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 (% Aug)	5.2	-0.2
US Non-Farm Payroll (Aug)	235,000	-818,000
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	111.05	+0.32
EUR/USD	1.1596	-0.0124
GBP/USD	1.3546	-0.0133
USD/CHF	0.9311	+0.0063
AUD/USD	0.7258	-0.0004
USD/CNY	6.4448	-0.0214
USD/INR	74.125	+0.4325
USD/SGD	1.3571	+0.0034
USD/MYR	4.1790	-0.0087
USD/THB	33.662	+0.225
USD/IDR	14,308	+50.5
USD/VND	22,755	-14.5

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,771.07	-1,477.74
TOPIX Japan	1,986.31	-104.44
Dow Jones US	34,326.46	-471.54
S&P 500 US	4,357.04	-98.44
Nasdaq US	14,566.70	-481.00
CSI 300 China	4,866.38	+16.95
Shanghai China	3,568.17	+55.10
HSI Hong Kong	24,575.64	+383.48
STI Singapore	3,051.11	-10.24
KLCI Malaysia	1,524.48	-7.58
SET Thailand	1,605.17	-25.98
IDX Indonesia	6,228.84	+84.02
VSE Vietnam	1,334.89	-16.28

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Dec 21	28,820	-1,330
JPX TOPIX Dec 21	1,987.0	-94.0
JPX NK 400 Dec 21	17,895	-890
JPX TSE REIT Dec 21	2,010.0	-62.5
JPX NK 225 VI Oct 21	22.05	+1.75
JPX JGB 10 Year Dec 21	151.57	-0.05
JPX Gold 1 Kg Aug 22	6,260	+25
JPX Mini Gold 100g Aug 22	6,260	+25
JPX Gold Rolling Spot	6,264	+39
JPX Silver Aug 22	78.7	-2.0
JPX Platinum Aug 22	3,417	-45
JPX Palladium Aug 22	7,000	+100
JPX Corn Sep 22	35,180	+1,200

Source: JPX

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

OSE new active Mar futures traded higher on light fresh buying in moderate trading. Mar futures settled about 3% higher at 210.7. The down trend remains intact, but prices touch the resistance trend line and a close above will signal a market reversal. Mar futures support seen at 212.0 then 224.1 (100 MA). Support is now at 200.0 and 193.7 (previous low on 21 Sep). RSI, an oscillator that indicate overbought or oversold condition is now at 54%. Expect a quiet week as China is on holidays.



Source: Bloomberg

Rubber Trading – INE Dec/Jan Spread Strategy Analysis:

On the INE, TSR20 futures Dec contract closed at 11,305 while its Jan futures closed at 11,300. The Dec/Jan spread is +5 (11,305-11,300), in a normal Contango market the Jan futures should be 100-130 more expensive than the Dec futures. The spreader would take a chance to sell the Dec and buy the Jan futures in an anticipation for the spread to narrow to 80-100 points before he takes profit. The spreader sells Dec/Jan at +5 and place a stop loss at +50 and takes profit at -80 GTC.



Source: Bloomberg

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