

The Japan Rubber Futures Weekly Report:

23 Aug 2021 – 27 Aug 2021

Note: Japan Aug Mfg PMI lower at 52.4, July Coincident Index +2.4% m/m, July Leading Index +1.5% m/m

Rubber Futures Report:

Rubber Futures prices closed the week lower across most exchanges in moderate volume. There were strong speculative selling and long liquidation initiated from both the SHFE and INE markets had impacted both OSE & SICOM markets. There is concern of a slowing Chinese economy and recent government continued clamping down on major overseas listed Chinese Technology companies putting further pressure on the local stock markets and commodity prices. OSE rubber futures fell 4.3% while SGX SICOM rubber fell 3.5%. The recent dropped in rubber prices had reversed market sentiment and the mood has turned cautiously bearish. On world news, the delta variant continues to spread, and many countries had again imposed lock-downs and stringent measures to combat the virus. In Afghanistan, bomb blasts at the airport killed more than 180 people including 13 American soldiers. At the Jackson Hole Symposium, Fed Chairman Powell said tapering could start in 2021 with no rush into hiking interest rate. Next Fed FOMC meeting on 22 Sept. US reported 2Q GDP at +6.6% and Jobless claims at 353,000 which both were near market expectations.

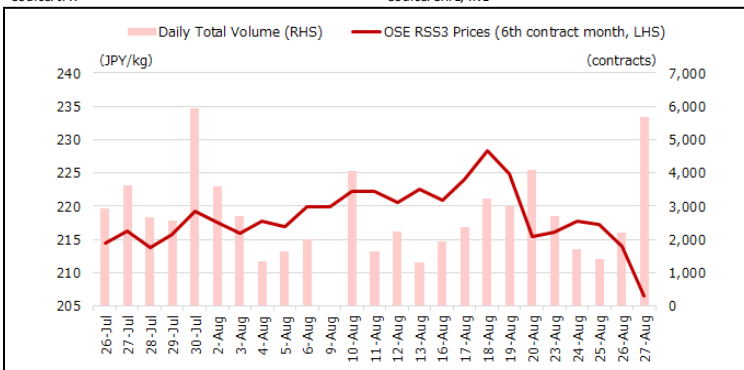
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (US\$)	Net	TFEX	Last (THB)	Net
Sep 21	194.0	-10.4	SCR/RSS Jan 22	13,860	-485	Sep 21	164.3	-8.0	RSS3 Jan 22	60.15	-3.35
Oct 21	199.0	-7.7	SCR/RSS May 22	14,050	-465	Oct 21	163.4	-6.3	RSS3 Feb 22	60.15	-3.35
Nov 21	199.2	-10.8	Total Vol.	1,864,025	-973,883	Nov 21	163.6	-6.0	JRF Jan 22	205.1	-7.1
Dec 21	204.0	-9.0	Total OI	287,787	-12,697	Dec 21	164.3	-5.5	JRF Feb 22	206.7	New
Jan 22	206.2	-9.3	INE TSR Oct 21	10,745	-560	Jan 22	164.8	-5.4	ICEX	Last (INR)	Net
Feb 22	206.5	New	INE TSR Nov 21	10,870	-530	Feb 22	165.4	-5.3	RSS4 Sep 21	17,919	+95
Total Vol.	13,649	-1,001	Total Vol.	96,057	-11,573	Total Vol.	34,307	-3,173	MCX	Last (INR)	Net
Total OI	11,936	-75	Total OI	35,466	+2,002	Total OI	38,249	+442	RSS4 Sep 21	18,150	+369

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 Aug)	7,570	-308
Shanghai SHFE Rubber Stocks (ton, 27 Aug)	219,592	+8,250
Shanghai INE Rubber Stocks (ton, 27 Aug)	40,464	-5,145
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 (% July)	5.4	-0.5
US Non-Farm Payroll (July)	943,000	+93,000
Japan Unemployment Rate (% June)	2.9	-0.1
Japan PMI (July)	53.0	+0.8
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	109.84	+0.0006
EUR/USD	1.1795	+0.0097
GBP/USD	1.3764	+0.0141
USD/CHF	0.9113	-0.0058
AUD/USD	0.7312	+0.0180
USD/CNY	6.4720	-0.0295
USD/INR	73.6888	-0.705
USD/SGD	1.3460	-0.0163
USD/MYR	4.1910	-0.0480
USD/THB	32.519	-0.844
USD/IDR	14,418	-35
USD/VND	22,780	-38

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,641.14	+627.89
TOPIX Japan	1,928.77	+48.09
Dow Jones US	35,455.80	+335.72
S&P 500 US	4,509.37	+67.70
Nasdaq US	15,129.50	+414.84
CSI 300 China	4,827.04	+57.77
Shanghai China	3,522.16	+94.83
HSI Hong Kong	25,407.89	+558.17
STI Singapore	3,080.77	-21.98
KLCI Malaysia	1,590.16	+72.13
SET Thailand	1,611.20	+58.02
IDX Indonesia	6,041.37	+10.60
VSE Vietnam	1,313.20	-16.23

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 21	27,640	+630
JPX TOPIX Sep 21	1,930.0	+48.5
JPX NK 400 Sep 21	17,360	+450
JPX TSE REIT Sep 21	2,161.5	+69.5
JPX NK 225 VI Sep 21	19.05	-2.1
JPX JGB 10 Year Sep 21	152.12	-0.28
JPX Gold 1 Kg Jun 22	6,369	+71
JPX Mini Gold 100g Jun 22	6,369	+71
JPX Gold Rolling Spot	6,372	+82
JPX Silver Aug 22	83.4	New
JPX Platinum Jun 22	3,492	+5
JPX Palladium Aug 22	8,650	New
JPX Corn Sep 22	34,300	+120

Source: JPX

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

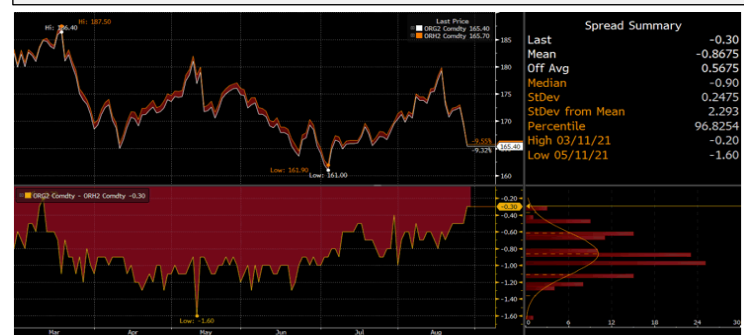
The new Feb22 futures came on board and settled at 206.5. Prices fell across the board and the down trend continues to persist after supports at 220.0 was broken last week. Next support level at 200.5 while resistance is getting lower at 220.5 (50 MA). RSI is 34.6% and nearing an oversold condition. A break of crucial support at 200.5 may see prices drifting to next level at 176.0 (Channel Line support). Some short covering and buying should limit any recovery to 213.0 next week.



Source: Bloomberg

Rubber Trading – SICOM Calendar Spread Trading Feb22/Mar22.

The SGX SICOM Feb22 settled at 165.4 while the Mar22 settled at 165.7 making the Feb/Mar calendar spread trading at -0.3 (165.4-165.7). The spreader found that the spread should be at -0.8 to -1.0 level in its fair medium value. The Spreader decided to short the Feb/Mar spread at -0.3 and feels the spread may go further negative to -0.8/-1.0 levels. The spreader placed a GTC stop at +0.3 to buy back the spread to limit any excessive losses and also to take profit at -1.0. He is short the spread.



Source: Bloomberg

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