

The Japan Rubber Futures Weekly Report:

14 June 2021 – 18 June 2021

Note: Japan May CPI -0.1%, Core Machinery Orders +0.6% m/m and May Industrial Production +2.9% m/m

Rubber Futures Report:

Rubber Futures prices closed the week down slightly in generally quiet trading. OSE and SICOM rubber futures closed about 1.0-1.5% lower while Shanghai exchanges SHFE and INE were marginally lower. Market was extremely quiet with tight trading range all week and trading volume down in all exchanges. It was reported that Malaysia rubber production fell 33.5% in April to 23,013 tonnes on year due to the wintering season, a new surge in variant virus and labour shortage. In an interview with Bloomberg news, ANRPC senior economist Mr. Jom Jacob commented that slow vaccinations in ASEAN countries are delaying recovery and the sluggish demand from China coupled with ports and supply chain disruptions are putting some downside pressure on rubber prices lately. On global news, The US Fed will discuss to scale back on their monthly bond buying a term known as “tapering” and will raise key interest rates twice by the end of 2023. Commodities and Equities fell sharply on Thurs and Friday with Dow Jones ended the week 1,189 points lower while the USD rallied. US PPI in May higher at +0.8% while Retail Sales was weaker at -1.3% in May.

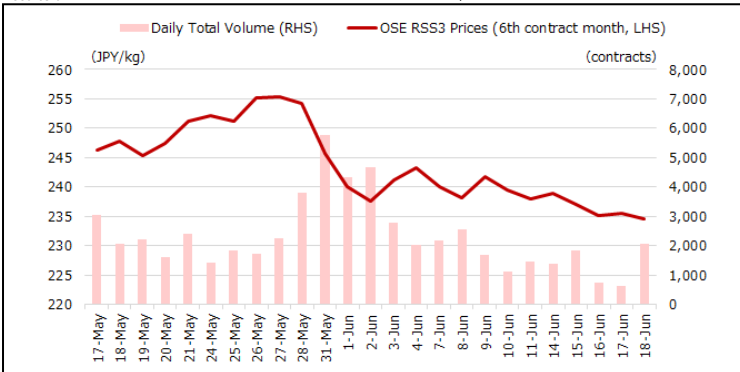
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Jun 21	243.1	-2.4	SCR/RSS Sep 21	12,730	-45	Jul 21	160.2	-3.3	RSS3 Oct 21	66.25	-0.35
Jul 21	241.6	-4.0	SCR/RSS Jan 22	13,900	-35	Aug 21	160.8	-2.5	RSS3 Nov 21	66.30	-0.30
Aug 21	241.5	-4.9	Total Vol.	1,804,856	-713,703	Sep 21	161.4	-2.6	JRF Oct 21	235.6	-0.7
Sep 21	235.9	-3.8	Total OI	319,039	-11,646	Oct 21	161.9	-3.2	JRF Nov 21	233.9	-3.1
Oct 21	236.0	-2.0	INE TSR Aug 21	10,430	-15	Nov 21	162.7	-3.4	ICEX	Last (INR)	Net
Nov 21	234.5	-3.5	INE TSR Sep 21	10,590	-15	Dec 21	163.6	-3.5	RSS4 Jul 21	17,327	+45
Total Vol.	6,641	-2,339	Total Vol.	93,580	-38,922	Total Vol.	22,024	-3,290	MCX	Last (INR)	Net
Total OI	11,154	-366	Total OI	47,720	-590	Total OI	35,637	-397	RSS4 Jun 21	16,750	-420

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 June)	8,635	-165
Shanghai SHFE Rubber Stocks (ton, 18 June)	182,604	+1,029
Shanghai INE Rubber Stocks (ton, 18 June)	66,971	+81
China Vehicle Total Sales (unit, 30 Apr)	2,251,792	-273,899
China Passenger Car Sales (unit, 30 Apr)	1,704,040	-170,271
China Commercial Car Sales (unit, 30 Apr)	547,752	-103,628
US Unemployment Rate (% May)	5.8%	-0.3
US Non-Farm Payroll (May)	559,000	+293,000
Japan Unemployment Rate (% Apr)	2.8	+0.2
Japan PMI (May)	53.0	+0.5
Japan Tankan Large Manufacturing (31/3)	+5	+15
China PMI (Apr)	51.1	-0.8
China GDP 1Q (%)	+18.3	+11.8

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	110.21	+0.55
EUR/USD	1.1864	-0.0245
GBP/USD	1.3810	-0.0297
USD/CHF	0.9216	+0.0233
AUD/USD	0.7479	-0.0229
USD/CNY	6.4531	+0.0544
USD/INR	73.8613	+0.7851
USD/SGD	1.3451	+0.0191
USD/MYR	4.1395	+0.0310
USD/THB	31.489	+0.402
USD/IDR	14,375	+186
USD/VND	23,010	+66

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	28,964.08	+15.35
TOPIX Japan	1,946.56	-7.46
Dow Jones US	33,290.08	-1189.52
S&P 500 US	4,166.45	-80.99
Nasdaq US	14,030.38	+32.08
CSI 300 China	5,102.46	-122.24
Shanghai China	3,525.10	-64.65
HSI Hong Kong	28,801.27	-40.86
STI Singapore	3,144.16	-13.81
KLCI Malaysia	1,589.05	+13.89
SET Thailand	1,612.98	-23.58
IDX Indonesia	6,007.12	-88.38
VSE Vietnam	1,377.77	+26.03

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 21	28,930	+50
JPX TOPIX Sep 21	1,941.0	-7.5
JPX NK 400 Sep 21	17,525	-65
JPX TSE REIT Sep 21	2,090.0	-36.0
JPX NK 225 VI July 21	18.55	-0.85
JPX JGB 10 Year Sep 21	151.62	-0.27
JPX Gold 1 Kg Apr 22	6,319	-370
JPX Mini Gold 100g Apr 22	6,319	-370
JPX Gold Rolling Spot	6,306	-369
JPX Silver Apr 22	91.6	-7.2
JPX Platinum Apr 22	3,795	-279
JPX Palladium Apr 22	9,020	-950
JPX Corn July 22	33,060	New

Source: JPX

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

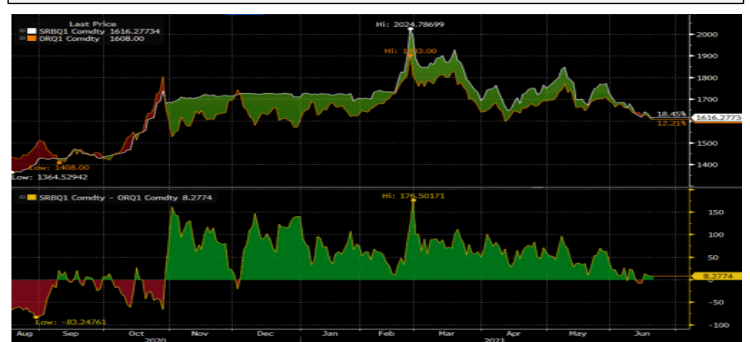
OSE Nov futures closed down JPY 3.5 at 234.5 after trading in narrow range all week. Prices continued to drift lower in very quiet trading with weekly low volume of 6,641 lots. Prices touched a low of 230.2 on Friday but managed to close at 234.5 which is just above the 200 MA. RSI (14 days) is at 37.9% and a close below 230.0 signal further bearish sentiment. Support remains at 230.2 then 225.9 and 222.0 Resistances at building at 248.0 and 261/262 levels. We are at crucial support level.



Source: Bloomberg

Rubber Trading – Inter-Market Arbitrage (INE vs SICOM Aug Rubber):

The arbitrageur saw an opportunity in the INE Aug futures and SICOM Aug futures which prices converge closely and decided to Buy INE Aug and Sell SICOM Aug at +8.4 couple of weeks ago in anticipating for a widening to +40/50. The closing on INE Aug 10,430 (\$1616.3) and SICOM Aug at \$1608 making the differential at +8.3 (1616.3-1608) up from previous week -0.6. The arbitrageur maintains his inter-market spread position to sell at +40 and placed a sell-stop at -10 to protect any loss.



Source: Bloomberg

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