

# The Japan Rubber Futures Weekly Report:

15 Mar. 2021 – 19 Mar. 2021

## Rubber Futures Report:

Rubber Futures prices closed the week lower on aggressive selling towards the end of the week by speculators and fund managers. The week started with rubber prices holding well but rising US bond yield and a sell-off on the Chinese stock markets caused panic selling in various commodities. The yield on the US 10Y note hit a 13 month high of 1.75% causing fear of rising inflation and Fed tightening, the Chinese government was reported to have sold USD80B worth of US treasuries recently while it was also estimated that fund managers and speculators sold rubber futures more than 200,000 tonnes on the SHFE. Global stock markets also had some knee-jerk reactions and eased slightly after recent record levels. The Fed FOMC meeting assured to keep int. rate low till 2023. Rubber prices were also pressured by falling crude oil prices & profit taking on other commodities.

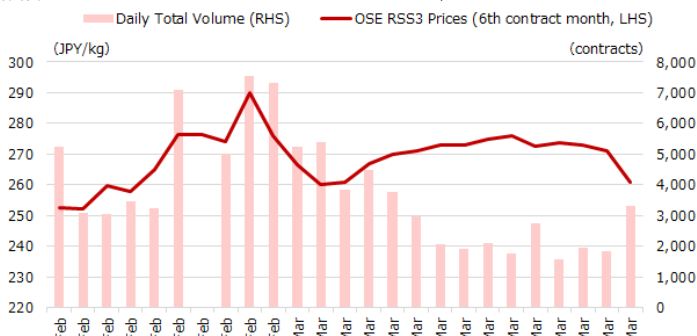
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USC)	Net	TFEX	Last (THB)	Net
Mar 21	262.0	-11.9	SCR/RSS May 21	14,750	-625	Apr 21	176.9	-1.3	RSS3 Jul 21	71.50	-3.35
Apr 21	260.5	-13.8	SCR/RSS Sep 21	14,975	-585	May 21	174.7	-3.3	RSS3 Aug 21	71.50	-3.4
May 21	258.0	-9.5	<b>Total Vol.</b>	<b>3,768,970</b>	<b>-145,492</b>	Jun 21	174.9	-4.2	JRF Jul 21	259.3	-13.7
Jun 21	259.0	-10.7	<b>Total OI</b>	<b>311,796</b>	<b>+21,240</b>	Jul 21	175.6	-4.4	JRF Aug 21	260.3	-11.5
Jul 21	261.0	-12.7	INE TSR May 21	11,940	-215	Aug 21	176.6	-4.6	<b>ICEX Last (INR)</b>	<b>Net</b>	
Aug 21	261.0	-15.0	INE TSR Jun 21	12,040	-225	Sep 21	177.5	-4.4	RSS4 Apr 21	16,997	+352
<b>Total Vol.</b>	<b>11,381</b>	<b>-4,332</b>	<b>Total Vol.</b>	<b>211,576</b>	<b>-21,154</b>	<b>Total Vol.</b>	<b>43,443</b>	<b>-6,433</b>	<b>MCX Last (INR)</b>	<b>Net</b>	
<b>Total OI</b>	<b>11,416</b>	<b>-594</b>	<b>Total OI</b>	<b>54,897</b>	<b>-3,777</b>	<b>Total OI</b>	<b>45,932</b>	<b>-1,505</b>	RSS4 Apr 21	16,920	-280

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 Mar)	6,740	+1,230
Shanghai SHFE Rubber Stocks (ton, 19 Mar)	175,002	-160
Shanghai INE Rubber Stocks (ton, 19 Mar)	60,814	+52
China Vehicle Total Sales (unit, 28 Feb)	1,455,000	-1,048,168
China Passenger Car Sales (unit, 28 Feb)	1,156,000	-888,769
China Commercial Car Sales (unit, 28 Feb)	299,000	-159,399
US Unemployment Rate (% Feb)	6.2	-0.1
US Non-Farm Payroll (Feb)	+379,000	+330,000
Japan Unemployment Rate (% Jan)	2.9	0
Japan PMI (Jan)	51.4	+0.8
Japan Tankan Large Manufacturing (31/12)	-10	+17
China PMI (Feb)	50.6	-0.7
China GDP 4Q (%)	+6.5	+1.6

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	108.88	-0.15
EUR/USD	1.1904	-0.0049
GBP/USD	1.3872	-0.0052
USD/CHF	0.9288	-0.0014
AUD/USD	0.7742	-0.0022
USD/CNY	6.5090	+0.0006
USD/INR	72.5162	-0.2713
USD/SGD	1.3422	-0.0027
USD/MYR	4.1100	-0.0085
USD/THB	30.813	+0.105
USD/IDR	14,407.5	+22.5
USD/VND	23,063	+17

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	29,792.05	+74.22
TOPIX Japan	2,012.21	+61.15
Dow Jones US	32,627.97	-150.67
S&P 500 US	3,913.10	-30.24
Nasdaq US	13,215.24	-104.62
CSI 300 China	5,007.09	-139.29
Shanghai China	3,404.66	-48.42
HSI Hong Kong	28,990.94	+251.22
STI Singapore	3,134.54	+39.32
KLCI Malaysia	1,626.19	+10.5
SET Thailand	1,563.96	-4.23
IDX Indonesia	6,356.16	-2.05
VSE Vietnam	1,194.05	+12.49

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Jun 21	29,490	-100
JPX TOPIX Jun 21	1,983.5	+47.5
JPX NK 400 Jun 21	17,915	+415
JPX TSE REIT Jun 21	1,966.0	+37.5
JPX NK 225 VI Apr 21	22.50	+0.35
JPX JGB 10 Year Jun 21	150.98	-0.01
JPX Gold 1 Kg Feb 22	6,088	+96
JPX Mini Gold 100g Feb 22	6,088	+96
JPX Gold Rolling Spot	6,082	+70
JPX Silver Feb 22	92.5	+0.9
JPX Platinum Feb 22	4,209	+34
JPX Palladium Feb 22	8,984	+862
JPX Corn Mar 22	29,720	-230

Source: JPX

### Rubber Trading – Calendar Spread Analysis:

The spreader who put on the short Butterfly spread has shorted OSE April/May (bear spread) and long May/June (bull spread) at +12. Based on the Friday's settlement prices, April settled at 260.5, May 258.0 and June 259.0 and the Butterfly is now indicating at +3.5 (260.5-258.0) – (258.0-259.0) which was down from +9 last week. The spreader is making some gains and he is looking to exit the trade at +2 to 0 level with a buy stop ay +16.



Source: Bloomberg



### Rubber Trading – Technical Analysis:

The sharp selling on Friday has put a dent on the technical and the market could be heading for a reversal should the June SICOM Futures closed below 170.0 level. However there is a gap between 178.0 and 180.0 which prices may move up to cover the gap. The gap is now a major resistance level and longs may want to get out at those levels. Support is seen crucial at 170/172 levels next week and buying could make a good bet to see covering the gap, however stops below 179.0



Source: Bloomberg

## Contact us

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