

## Tokyo rubber futures drop, China data eyed (Dec. 14)

TOKYO, Dec 14 (Reuters) – Key TOCOM rubber futures fell on Friday on profit taking after prices rallied to a two-month high a day earlier, while investors waited for China data to gauge demand from the world's biggest rubber consumer.

### FUNDAMENTALS

\* The most-active Tokyo Commodity Exchange rubber contract for May delivery was changing hands 1.1 yen lower at 270.4 yen as of 0015 GMT.

\* The benchmark contract hit a high of 274.8 yen on Thursday, the highest since Oct. 5.

\* Rubber has strengthened over the past month due partly to a weaker yen, which makes yen-denominated assets more affordable when purchased in other currencies.

\* HSBC's early reading of China's December manufacturing activity due at 0145 GMT will be closely watched for clues on the health of the world's second biggest economy.

\* China's stock markets are expected to make a comeback in 2013 and could post their first annual gain in three years, according to a Reuters poll, as recovery in the world's second-largest economy gathers momentum.

\* A state think tank has forecast China's GDP growth next year at around 8 percent and projects the consumer price index to rise around 3 percent, the official China Securities Journal reported on Friday.

\* Japan's Nikkei stock average will probably see double-digit gains next year as easy monetary policy weakens the yen and a resolution of U.S. fiscal problems lifts sentiment, a Reuters poll found.

### MARKET NEWS

\* Japan's Nikkei share average edged down on Friday as investors adjusted their positions before Sunday's election amid chart signals that the market is 'overbought' after jumping to an eight-month high.

\* The yen remained in the doldrums on Friday as investors continued to give it a wide berth on expectations the Bank of Japan would print more money next week to stimulate the world's third biggest economy.

\* Oil prices fell on Thursday as worries about the economic impact of a U.S. fiscal crisis overshadowed improvements in U.S. jobs data and retail sales.

DATA EVENTS\* The following data is expected on Friday: (Time in GMT)0145 China HSBC flash manufacturing PMI Dec0430 Japan

Revised industrial output Oct0758 France Markit flash manufacturing PMI Dec0828 Germany Markit flash manufacturing PMI Dec0858 Euro  
zone Markit flash manufacturing PMI Dec0900 Euro zone ECB Financial Stability Review1330 U.S. CPI Nov1415 U.S. Industrial output  
Nov(Reporting by Risa Maeda; Editing by Himani Sarkar)Reuters