

Tokyo rubber futures drop 1 pct on stronger yen; focus shifts to China (Jan. 23)

TOKYO, Jan 23 (Reuters) – Key TOCOM rubber futures ended down 1 percent on Wednesday as a stronger yen and weaker shares prompted investors to take profits, with focus shifting to Chinese manufacturing data due on Thursday.

“China’s data is expected to confirm a solid recovery in the manufacturing sector, but the rubber market there is suffering from swollen inventories and will struggle to climb (sustainably),” said Toshitaka Tazawa, an analyst at trading house Fujitomi Co.

He said that robust data from Beijing would drive an initial rise in TOCOM prices before more profit-taking kicks in, although the market will be firmly supported at around 300 to 305 yen.

The key Tokyo Commodity Exchange rubber contract for June delivery [0#2JRU](#); ended down 1 percent, or 3 yen, at 308.3 yen per kg on Wednesday. The contract fell as low as 307 yen.

The most active Shanghai rubber contract for May delivery [0#SNR](#); closed down 0.1 percent at 26,085 yuan per tonne.

The front-month February rubber contract [0#STF](#); on SICOM in Singapore was last traded at 301.5 U.S. cents per kg, down 0.5 percent.

The yen rose slightly against the dollar as monetary easing announced on Tuesday by the Bank of Japan failed to provide an immediate stimulus as some had hoped, dragging the benchmark Nikkei average down 2.1 percent to a three-week closing low.

HSBC will reveal China’s flash manufacturing PMI data for January at 0145 GMT on Thursday.

(Reporting by Yuko Inoue; Editing by Joseph Radford)