

Tokyo futures fall after Thailand rejects further support (Aug 29)

TOKYO, Aug 29 (Reuters) – Key TOCOM rubber futures fell in early trading on Wednesday, extending declines after the Thai government decided against further moves to stabilize prices.

FUNDAMENTALS

- * The Tokyo Commodity Exchange rubber contract for February delivery, which started trading on Tuesday, fell 2.5 yen, or 1.1 percent, to 223.6 yen per kilogram as of 0045 GMT. It earlier fell to as low as 222.2 yen, after declining 1.7 percent yesterday.
- * The Thai government on Tuesday rejected a plan to spend another 15 billion baht on rubber purchases to support prices, saying it would monitor the situation to appraise whether further intervention is necessary.

MARKET NEWS

- * U.S. crude futures edged down on Wednesday as Hurricane Isaac made landfall on the U.S. Gulf Coast, paring gains made the previous day on the storm shutting oil production, after data showed U.S. crude stockpiles rose sharply last week.
- * Japan's Nikkei share average ticked higher in early trade on Wednesday, tracking lacklustre trading on Wall Street as investors await U.S. Federal Reserve Chairman Ben Bernanke's speech on Friday for any hints of further stimulus measures.
- * The euro held firm in Asia on Wednesday, having been swept higher by a wave of short covering, while the Australian dollar languished at one-month lows on persistent worries about Chinese growth.
- * U.S. stocks ended little changed in another day of scarce activity on Tuesday after mixed economic data gave investors little reason to shift their focus from Federal Reserve Chairman Ben Bernanke's speech on Friday.

DATA EVENTS

- * The following data is expected on Wednesday (Times in GMT):
- 1230 – U.S. preliminary Q2 GDP (second estimate)
- 1230 – U.S. preliminary Q2 corporate profits
- 1400 – U.S. pending home sales for July
- 1800 – U.S. Federal Reserve Beige Book (Reporting by Aaron Sheldrick; Editing by Edwina Gibbs)