

Rubber Pares Quarterly Loss on Signs of Recovery in U.S., Japan

Rubber pared the worst quarterly loss in a year as signs of economic recovery in the U.S. and Japan improved the outlook for demand. The contract for delivery in December advanced as much as 1.7 percent to 233.9 yen a kilogram (\$2,372 a metric ton) on the Tokyo Commodity Exchange. Futures traded at 232.4 yen at 10:22 a.m. and lost 15 percent this quarter, the biggest decline since the three months ended June 2012. Japan's currency weakened to 98.78 per dollar, boosting the appeal of the yen-denominated contracts, after data showed more Americans signed contracts in May to buy previously owned homes than at any time in more than six years, and claims for unemployment benefits decreased last week. Japan's industrial production rose more than economists estimate in May, boosting Japanese stocks to a three-week high. Gains were limited amid concerns higher interest rates will worsen an economic slowdown in China, curbing demand from the world's largest consumer, he said. Borrowing costs for Chinese banks have surged the most in at least six years this month as rating companies say a cash crunch threatens to swell bad loans. Rubber exports from Vietnam, the fourth-biggest shipper, may surge 33 percent to 80,000 tons in June, according to the nation's general statistics office. Rubber for January delivery on the Shanghai Futures Exchange added 0.2 percent to 17,800 yuan (\$2,895) a ton. Thai rubber free-on-board was unchanged at 85.40 baht (\$2.74) a kilogram yesterday, according to the Rubber Research Institute of Thailand. Bloomberg