

Tokyo futures rise as U.S. data points to economic recovery (Dec 16)

KUALA LUMPUR, Dec 16 (Reuters) – Tokyo rubber futures rose on Friday, reversing some of the previous session’s declines, as key U.S. data showed signs of a rebound in the world’s largest economy.

FUNDAMENTALS

- * The benchmark rubber contract on the Tokyo Commodity Exchange for May delivery rose 2.3 yen, or 0.86 percent, to 269.1 yen (\$3.45) per kg.
- * Prices have fallen 4.8 percent this week, the biggest weekly drop in more than a month, as Europe’s lack of steps to resolve its two-year debt crisis deepened fears the region would drag down growth in emerging markets, including China.
- * The world’s top three rubber producers — Thailand, Indonesia and Malaysia — aim to launch a regional rubber market to set realistic prices and cushion farmers from volatility in futures prices, a senior official said on Thursday.
- * Goodyear (Thailand) Pcl expects to resume production at its flood-hit plant in Pathum Thani in March-May 2012, it said in a statement to the stock exchange in Bangkok on Thursday. Flooding in Thailand will affect its output and sales in the fourth quarter of 2011 and first quarter of 2012, the company said.
- * Japan’s auto industry body welcomed the government’s plan to extend incentives on the purchase of greener cars on Thursday but repeated its demand to abolish two vehicle-specific taxes that it says is hurting demand.

MARKET NEWS

- * Credit Agricole will stop trading commodities and slash its financing of the multi-billion-dollar commodities trade as the euro zone crisis worsens.
- * Europe’s top central banker said on Thursday that euro zone governments are on the right track to restore market confidence but reminded them that an emergency programme to buy their bonds was “neither eternal nor infinite”.
- * Spot gold prices hovered at 2 1/2 month lows, close to \$1,560 an ounce in New York on Thursday afternoon as fund selling resumed, forcing bullion to break from its traditional inverse correlation with the dollar.
- * Brent crude oil was steady near \$104 a barrel as investors remained cautious about prospects for economic growth in Europe and China.
- * U.S. stocks rose on Thursday, with the Dow Jones industrial average gaining 45.33 points, or 0.38 percent, at 11,868.81. The Standard & Poor’s 500 Index climbed 0.32 percent.
- * The 19-commodity Thomson Reuters-Jefferies CRB index lost 0.28 percent on Thursday, heading for its biggest weekly drop since end-September.

DATA/EVENTS (GMT)

- 1000 EZ Eurostat trade nsa Oct 2011
- 1330 U.S. Core CPI mm, sa Nov
- 2030 U.S. CFTC commitment of traders data