

Rubber Trades Near 8-Month High as China May Build Stockpiles

Rubber traded near an eight-month high on optimism that China, the biggest buyer, will increase inventories ahead of holidays and as crude oil climbed.

Rubber for delivery in June gained as much as 0.9 percent to 306.4 yen a kilogram (\$3,497 a metric ton) on the Tokyo Commodity Exchange before trading little changed at 304 yen at 12:46 p.m. The contract rose to 313.7 yen yesterday, the highest level since May 7.

Oil traded near a four-month high in New York before a government report that may show refinery utilization rose and stockpiles increased in the U.S. Natural-rubber inventories gained 1,770 tons to 97,697 tons, the highest since March 2010, the Shanghai Futures Exchange said on Jan. 4.

“Rising crude oil prices are supportive,” Chaiwat Muenmee, an analyst at DS Futures Co., said by phone from Bangkok. Optimism that China will build up stocks ahead of Chinese New Year also gave a boost, he added.

The upside was limited after the Japanese currency headed for the biggest two-day gain in five weeks, extending a rally from its 2 1/2 year low, reducing an appeal of yen-denominated contracts, said Naohiro Niimura, a partner at research company Market Risk Advisory in Tokyo.

Rubber for delivery in May gained 0.2 percent to 26,135 yuan (\$4,198) a ton on the Shanghai Futures Exchange. Thai rubber free-on-board added 0.2 percent to 102.35 baht (\$3.36) a kilogram yesterday, according to the Rubber Research Institute of Thailand.