

## **Rubber Futures Fall in Tokyo on Concern Supply May Increase**

Rubber futures declined in Tokyo trading on expectations that supply will increase from Thailand, the world's largest exporter. The contract for delivery in November fell 0.4 percent to 260.3 yen (\$2,600 a metric ton) on the Tokyo Commodity Exchange at 11:33 a.m. after moving between 258.5 yen and 262.3 yen. Futures have lost 14 percent this year. The wintering season is over in northern Indonesia, Malaysia and Thailand, allowing farmers to resume tapping and increase latex production, according to the International Rubber Consortium Ltd. "I'm watching to see if Thailand will take additional steps to bolster prices," Hideshi Matsunaga, an analyst at broker ACE Koeiki Co. in Tokyo, said by phone today. A weak yen, which raises the appeal of the futures denominated in the Japanese currency, will limit losses, he said. Rubber production in Indonesia, the second-biggest producer, may rise five percent to 3.18 million tons this year, according to Association of Natural Rubber Producing Countries. Output in Malaysia, the third-largest producer, may gain 6.2 percent to 980,000 tons, the group said in a report yesterday. The dollar held above 100 yen after rallying from the lowest in almost a month, before U.S. employment data that may add to the case for the Federal Reserve to slow stimulus. Thai rubber free-on-board was unchanged at 88.40 baht (\$2.90) a kilogram yesterday, according to the Rubber Research Institute of Thailand. Rubber for delivery in September on the Shanghai Futures Exchange was little changed at 19,150 yuan (\$3,124) a ton. Bloomberg