

Rubber climbs on US Fed stimulus talk

BANGKOK: Rubber advanced after a decline in US new home sales raised optimism the Federal Reserve may take additional measures to stimulate the economy, increasing demand for the commodity used in tyres and gloves. The December-delivery contract gained as much as 1.2% to 229.8 yen a kilogram (\$2,940 a metric tonne) on the Tokyo Commodity Exchange, before settling at 227.6 yen. The most-active contract fell to 222.4 yen on July 24, the lowest level since November 2009, and has lost 14% this year. Sales of new homes unexpectedly dropped in June from a two-year high. Weaker-than-expected economic data intensified bets that the central bank is moving closer to taking new steps to spur economic growth. International Rubber Consortium, representing Thailand, Indonesia and Malaysia, will meet next week to discuss ways to boost prices, Thai deputy farm minister Nattawut Saikuar said on Wednesday. The three Southeast Asian countries represent 70% of global supply.