

## Tokyo rubber futures extend recovery from 7week low (June 11)

TOKYO, June 11 (Reuters) – Benchmark Tokyo rubber futures rose on Tuesday, extending the previous day's recovery from a seven-week low, supported by a weaker yen ahead of a policy decision by the Bank of Japan later in the day.

**FUNDAMENTALS\*** The benchmark Tokyo Commodity Exchange (TOCOM) rubber contract for November delivery was trading up 2.6 yen at 249.6 yen as of 0041 GMT, after settling 1 yen higher on Monday.\* On Monday, the contract dropped to 242.9 yen, the lowest since April 18, as weak data from China, the world's biggest rubber consumer, hurt the demand outlook.\* Risks are rising that China's economic growth will fall further in the second quarter and that full-year forecasts will be cut further, after weekend data showed weakness in May exports and domestic activity struggling to pick up.\*

The Shanghai Futures Exchange is closed from June 10 to June 12 for the Dragon Boat Festival holiday. Trade will resume on Thursday.\*

Three of the world's top rubber-producing countries will meet this week, with main producer Thailand expected to propose new export curbs or measures to limit supply to prop up prices and support farmers.\* High rubber inventory in top consumer China and a volatile yen will weigh on benchmark Tokyo futures this week, dealers said on Monday.\* The BOJ will consider further steps to curb any future spike in bond yields when it debates policy on Tuesday, with recent market turbulence threatening to derail its radical stimulus plan that relies heavily on boosting confidence to foster growth and end chronic deflation.

**MARKET NEWS\*** Japan's Nikkei share average slipped in early trade on Tuesday, after posting its biggest one-day rise since March 2011 the session before.\* The yen eased in early Asian trade on Tuesday with investors wary ahead of the outcome of the BOJ meeting on the off-chance that it might announce additional easing measures.

**DATA EVENTS\*** The following data is expected on Tuesday: (Time in GMT)1145 U.S. ICSC chain stores yy Weekly2030 U.S. API weekly crude stocks2030 U.S. API weekly dist. stocks2030 U.S. API weekly gasoline stk(Reporting by Risa Maeda; Editing by Joseph Radford)Reuters