

## **Tokyo rubber futures hit 8-week low after fund speculation (Feb. 21)**

TOKYO, Feb 21 (Reuters) – Key TOCOM rubber futures fell more than 1 percent to an eight-week low on Thursday, tracking a sell-off in U.S. commodities after speculation that a hedge fund was forced to sell positions across metals and oil markets.

**FUNDAMENTALS\*** The key Tokyo Commodity Exchange rubber contract for July delivery was quoted 3.4 yen lower at 301.9 yen as of 0036 GMT, after settling down 9.3 yen a day earlier. The benchmark contract earlier fell as low as 300.6 yen, the weakest since 299.1 was hit on Dec. 28.\* Commodities tumbled on Wednesday amid speculation a hedge fund had been forced to liquidate positions across metals and oil markets, and gold fell to more than a seven-month low on worries that the U.S. economic stimulus may soon dry up. Oil and other commodities were pressured by talk of a hedge fund liquidating after it had been caught on the wrong side of the market. Several firms were cited by traders as potentially behind the moves, but none could be confirmed by Reuters.

**MARKET NEWS\*** U.S. stocks fell the most in three months and a key gauge of market volatility spiked on Wednesday after minutes from the U.S. Federal Reserve's most recent meeting suggested the central bank may slow or stop buying bonds sooner than expected.\* The U.S. dollar held firm on Thursday, having enjoyed its biggest one-day gain in seven months against a currency basket as commodities and U.S. equities slid on rumours of a hedge fund in trouble.\* Crude oil posted its biggest daily fall so far in 2013 on Wednesday, joining a sell-off in precious metals and copper as market rumors circulated that a hedge fund was forced to liquidate substantial commodity positions.\* The Nikkei average edged lower on Thursday, after touching a 52-month high the previous day, following weakness on Wall Street and as investors stayed cautious before the appointment of the next Bank of Japan governor.

**DATA EVENTS\*** The following data is expected on Thursday: (Time in GMT)- 0758 France Markit Manufacturing Flash PMI- 0828 Germany Markit Manufacturing Flash PMI- 0858 Euro zone Markit Manufacturing Flash PMI- 1330 U.S. CPI- 1330 U.S. Weekly jobless claims- 1358 U.S. Markit Manufacturing Flash PMI- 1500 U.S. Philly Fed business index- 1500 U.S. Existing home sales- 1500 U.S. Leading indicators- 1600 U.S. EIA petroleum status report(Reporting by Osamu Tsukimori; Editing by Ed Davies)Reuters