

Tokyo rubber futures hit 7-1/2 month high on weak yen (Dec. 26)

TOKYO, Dec 26 (Reuters) – Key TOCOM rubber futures extended gains for a third day on Wednesday to their highest level in more than seven-and-a-half months, jolted by a weaker yen on growing hopes for further monetary easing in Japan.

FUNDAMENTALS

* The key Tokyo Commodity Exchange rubber contract for June delivery 0#2JRU ; was changing hands 2.4 yen, or 0.8 percent, higher at 294.5 yen as of 0034 GMT. The benchmark contract rose as high as 295.6 yen, the highest since 302.2 hit on May 9.

Tokyo rubber has been driven higher in recent days as the yen fell to around 20-month lows against the dollar, pressured by expectations that the incoming Japanese prime minister, Shinzo Abe, would push the Bank of Japan into more forceful monetary easing.

* Crude rubber inventories at Japanese ports had climbed to a two-week high of 6,352 tonnes by Dec. 10, after rising 149 tonnes in the previous 10 days, data from the Rubber Trade Association of Japan showed on Wednesday.

* The London Metal Exchange is still closed on Wednesday for the Christmas holiday.

MARKET NEWS* U.S. markets were closed on Tuesday for Christmas Day holiday.* U.S. crude prices rose by 50 cents to above \$89 a barrel on Wednesday.* Japan's Nikkei share average edged higher on Wednesday as the yen slipped to a 20-month low, on expectations of an aggressive monetary easing stance by the new government.DATA EVENTS* The following data is expected on Wednesday: (Time in GMT)- 1355 U.S. Redbook retail sales- 1245 U.S. ICSC chain stores yy Weekly- 1400 U.S. CaseShiller home price index Oct- 1500 U.S. Richmond Fed Manufacturing, Services index/Dec- European Market Holiday (Reporting by Osamu Tsukimori; Editing by Robert Birsell)Reuters