

Tokyo rubber futures near 2-month high on weaker yen (Dec. 12)

TOKYO, Dec 12 (Reuters) – Tokyo rubber futures edged higher on Wednesday to hold near a two-month high, supported by a weaker yen and strength in Asian stock markets.

FUNDAMENTALS

* The benchmark Tokyo Commodity Exchange rubber contract for May delivery <#2JRU> was 2.1 yen higher at 268.6 yen as of 0038 GMT. The benchmark contract rose as high as 268.9 yen, just below a two-month high of 269.2 yen hit on Tuesday.

* Rubber has strengthened over the past month, while the yen has softened after Shinzo Abe, the leader of Japan’s main opposition party which is expected to win a Dec. 16 election, called for aggressive policy action from the Bank of Japan, including embarking on “unlimited easing”.

* The U.S. Federal Reserve, which ends its two-day policy meeting later in the day, is expected to replace its expiring “Operation Twist” programme with a fresh round of outright Treasury purchases.

MARKET NEWS

* U.S. stocks rose on Tuesday, led by gains in technology companies, helping the S&P 500 end at its highest level since Election Day.

* The dollar wallowed at three-month lows against the Australian currency and remained broadly under pressure on Wednesday as markets geared up for more stimulus from the Federal Reserve.

* Oil futures rose modestly on Tuesday after OPEC said its members pumped less oil last month and as a weaker U.S. currency helped to firm dollar-denominated commodity prices.

* Japan’s Nikkei share average rose on Wednesday, hitting a 7-1/2 month high led by gains in tech shares and other exporters on the weak yen while Wall Street’s strong performance buoyed sentiment.

DATA EVENTS* The following data is expected on Wednesday: (Time in GMT)- 1000 Euro zone Industrial production Oct- 1330 U.S. Import/export prices Nov- 1730 Federal Open Market Committee policy statement- 1915 Federal Reserve Chairman Ben Bernanke news conference(Reporting by Osamu Tsukimori; Editing by Chris Gallagher)