

## Tokyo rubber futures fall as oil weakens, China data awaited (May 23)

TOKYO, May 23 (Reuters) – Key Tokyo rubber futures fell on Thursday, pressured by weaker oil prices and caution over the outlook for demand for the industrial commodity ahead of Chinese manufacturing data later in the day.

**FUNDAMENTALS\*** The key Tokyo Commodity Exchange (TOCOM) rubber contract, for October delivery, was trading 1.1 percent lower at 287 yen per kg as of 0029 GMT.\* The October contract is retreating from a one-week high of 294.4 yen marked on Tuesday and is approaching last week's low of 276.3 yen.\* The TOCOM market has been caught in a narrow range in the past week, with views divided by demand optimism and concerns over a seasonal rise in rubber supply.\* The HSBC manufacturing flash PMI for China at 0145 GMT will likely provide clues on whether the world's biggest rubber user will see a further slowdown in its economy or if it has started to regain steam.\* Some cargoes of Indonesian and Malaysian rubber changed hands among trading houses for nearby delivery, but few buyers emerged in China, where inventory is high, dealers said on Wednesday.\* Chinese commodity firms importing everything from gold and rubber to base metals are struggling to get trade loans as banks scrutinise their activities and hold back credit following Beijing's orders to rein in currency speculation.

**MARKET NEWS\*** Japan's Nikkei average scaled fresh 5-1/2-year highs on Thursday, aided by currency-sensitive exporters as the yen weakened against the dollar.\* Oil prices fell on Wednesday as a rise in U.S. gasoline inventories prompted selling, then crude extended losses in late trading after minutes from a Federal Reserve policy meeting sent U.S. stock markets down.

**DATA EVENTS\*** The following data is expected on Thursday: (Time in GMT)

0145	China HSBC Manufacturing Flash PMI	0658	France Markit Manufacturing Flash PMI	0728	Germany Markit Manufacturing Flash PMI	0758	Euro zone Markit Manufacturing Flash PMI	1230	U.S. Weekly jobless claims	1258	U.S. Markit Manufacturing Flash PMI	1400	U.S. New home sales	1400	Euro zone Consumer confidence	N/A	European Central Bank chief Mario Draghi speaks
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(Reporting by Risa Maeda; Editing by Joseph Radford)Reuters