

Tokyo rubber futures pare gains after hitting one-week high (Jan. 31)

TOKYO, Jan 31 (Reuters) – Key TOCOM rubber futures pared gains on Thursday after hitting a one-week high, hurt by concern that a recent weakening in the yen could be losing steam, leaving investors searching for clues on direction.

FUNDAMENTALS

* The most-active Tokyo Commodity Exchange rubber contract for July delivery <#2JR> was changing hands at 315.9 yen per kg at 0027 GMT, unchanged from the previous close.

* It had risen to 316.7 yen, the highest since Jan. 21, during the night session on Wednesday, which is counted as part of Thursday's trade.

* The TOCOM market hit a nine-month high of 321 yen on Jan. 11, helped by a weaker yen, but has since been stuck in a range of 300-320 yen amid a lack of other market-moving factors.

* A weaker yen against the dollar in theory inflates yen-denominated TOCOM prices as rubber is traded in dollars in producing countries.

* Japan's industrial output increased 2.5 percent in December, rising at the fastest pace since June 2011, government data showed on Thursday, in a sign that the impact from falling exports and weak global demand was waning.

* The U.S. Federal Reserve on Wednesday left its monthly \$85 billion bond-buying stimulus plan in place, a move which had been expected after data showing the U.S. economy unexpectedly contracted in the fourth quarter.

* Toyota Motor Corp will recall nearly 1.3 million cars globally for two separate defects, including 752,000 Corolla and Corolla Matrix vehicles in the United States to fix airbags that could be deployed inadvertently, the automaker said on Wednesday.

* Used car sales in China grew faster than new car sales for a second straight year in 2012, and should account for half of all sales within seven years as the world's biggest autos market matures.

MARKET NEWS

* Japan's Nikkei share average fell in early trade on Thursday, with investors booking profits after the index had risen sharply in the previous session to end above 11,000 for the first time in 33 months.

* The euro held near a 14-month peak against the dollar and a 2-1/2 year high versus the yen on Thursday, having risen solidly as investors expect central banks in both the U.S. and Japan to keep an aggressive easing stance.

* Brent crude touched a three-month high on Wednesday after better-than-expected economic data out of Europe spurred optimism about the global economy before oil pared gains with surprisingly weak U.S. growth numbers.

DATA EVENTS* The following data is expected on Thursday: (Time in GMT)0500 Japan Construction orders0500 Japan Housing starts0700 Germany Retail sales0745 France Producer prices0855 Germany Unemployment rate1300 Germany Preliminary CPI1330 U.S. Weekly jobless claims1330 U.S. Personal income1445 U.S. Chicago PMI(Reporting by Risa Maeda; Editing by Joseph Radford)Reuters