

Tokyo rubber futures extend falls as yen's drop halts (May 15)

TOKYO, May 15 (Reuters) – Benchmark Tokyo rubber futures fell for the second day in a row on Wednesday after a halt in the yen's decline prompted selling. TOCOM also came under pressure after a sell-off in the Shanghai market sent prices below the 20,000 yuan level, a psychologically important support. "The Shanghai market tested the 20,000 yuan support, and that was seen as a bearish sign here because people are well aware of high levels of inventories in China," a manager at a Japanese brokerage said. "Given a worsening chart after the recent sell-off, I don't think a weak yen only would be enough to lift up the market," the manager said. The benchmark Tokyo Commodity Exchange (TOCOM) rubber contract for October delivery settled at 282.7 yen (\$2.8) per kg, down 4.9 yen from the previous close. It was 5.8 percent below a two-month high of 299 yen marked on Monday. In the currency market, the dollar retreated 0.2 percent to 102.24 yen in late Asian trade, after reaching 102.42 in the previous session, its highest since October 2008, bolstered by signs of an improving economic landscape in the United States. The most-active rubber contract on the Shanghai futures exchange was down 485 yuan to 19,875 yuan (\$3,200) per tonne. The front-month June rubber contract on Singapore's SICOM futures exchange was last traded at 246.5 U.S. cents per kg, down 7.9 cents. (\$1 = 6.1428 Chinese yuan) (Reporting by Risa Maeda, editing by William Hardy) Reuters