

Rubber Reaches 5-Month Low as Yen Rebounds Amid Demand Concerns

Rubber plunged to a five-month low as the yen rebounded against the dollar and concerns grew that the global recovery may stall, sapping investor appetite for the yen-denominated futures for the commodity used in tires. The contract for delivery in September lost as much as 4.6 percent to 247 yen a kilogram (\$2,544 a metric ton), the lowest level for a most-active future since Nov. 15. Futures traded at 252.3 yen on the Tokyo Commodity Exchange at 10:33 a.m., extending this year's losses to 17 percent. Japan's currency rebounded to 95.80 per dollar and global stocks extended selloffs, boosting investor demand for the haven. Oil in New York fell to a four-month low, cutting the appeal of natural rubber as an alternative to synthetic products. Concerns grew that a slowdown in economic growth of China will weaken demand from the world's biggest consumer for commodities from rubber to copper, said Takaki Shigemoto, analyst at research company JSC Corp. in Tokyo. "A rapid expansion in China's economy is over, leading to slower growth in raw-material demand," he said today by phone. Rubber stockpiles at Qingdao, China's largest hub for the commodity, rose to a record 366,900 tons by April 15, the Qingdao International Rubber Exchange Market said yesterday. China's 7.7 percent increase in first-quarter gross domestic product from a year earlier marked the first time in data going back two decades that four periods in a row have seen growth of less than 8 percent. In Shanghai, the contract for September delivery lost 3.4 percent to 19,660 yuan (\$3,178) a ton. Bloomberg