

## Tokyo rubber futures drop on EU worries; US payrolls eyed

TOKYO, Dec 7 (Reuters) – Key TOCOM rubber futures fell on Friday, extending declines from a seven-week high hit in the previous session as concerns about the euro zone economy and caution ahead of key U.S. payrolls data offset recent optimism about demand from China.

### FUNDAMENTALS

\* The most-active Tokyo Commodity Exchange rubber contract for May delivery  $\text{0#2JRU}$ ; was down 1.4 yen, or 0.5 percent, at 262.3 yen per kg as of 0040 GMT. It is on track for a more than 1 percent gain this week.

\* The benchmark contract on Thursday hit a high of 266.2 yen, the highest level since Oct. 15, helped by optimism about demand from China, the world's biggest rubber consumer, after the new head of the Communist Party pledged to ensure stable economic growth next year.

\* The European Central Bank on Thursday painted a bleak outlook for the euro zone and discussed cutting interest rates at its policy meeting.

\* The closely watched monthly U.S. jobs report is due later in the day. The report, which can set the tone for financial markets worldwide, is expected to show payrolls rose only 93,000 last month after advancing 171,000 job in October, according to a Reuters survey of economists. The unemployment rate is seen holding steady at 7.9 percent.

### MARKET NEWS

\* Japan's Nikkei average held steady in early trade on Friday after closing above the key 9,500-mark for the first time in seven months in the previous session.

\* The dollar traded at around 82.40 yen, little changed from the previous close and off a near eight-month high of 82.82 yen hit in late November.

\* U.S. crude held steady above \$86 per barrel after dropping for three straight sessions, but prices were headed for their first weekly loss in five as euro zone worries and a looming U.S. fiscal crisis kept investors on the edge.

### DATA EVENTS

\* The following data is expected on Friday: 1100 Germany Industrial output Oct 1330 U.S. Employment report Nov 1455 U.S. TR/Univ of Michigan consumer sentiment 1930 U.S. CFTC commitment of traders data 2000 U.S. Consumer credit Oct (Reporting by Risa Maeda; Editing by Himani Sarkar)