

Rubber Advances for Second Day as Weakening Yen Boosts Appetite

Rubber gained for a second day as the Japanese currency slid to a four-year low against the U.S. dollar after the Group of 20 nations supported Japan's policy stimulus. Rubber for delivery in September gained as much as 2 percent at 258.2 yen a kilogram (\$2,586 a metric ton) on the Tokyo Commodity Exchange, before trading at 256.6 yen at 10:25 a.m. local time. Futures fell 8.4 percent last week. The G-20 backing for Prime Minister Shinzo Abe and the Bank of Japan's stimulus signaled policy makers are counting on the world's third-largest economy to aid global demand as growth in China cools. The Japanese currency has weakened 13 percent this year, boosting an appeal of yen-denominated contracts. The G-20 meeting's impact on the Japanese yen is supporting rubber prices, Ker Chung Yang, an analyst at Phillip Futures Pte, said by phone from Singapore. Rubber stockpiles held at Japanese warehouses fell 0.8 percent to 15,668 tons on April 10, according to data from the Rubber Trade Association of Japan. Natural-rubber inventories gained 1,764 tons to 119,149 tons, the highest since February 2010, based on a survey of nine warehouses in Shanghai, Shandong, Yunnan, Hainan and Tianjin, the Shanghai Futures Exchange said April 19. Rubber for September delivery on the Shanghai Futures Exchange fell 1.2 percent to 19,095 yuan (\$3,093) a ton. Thai rubber free-on-board dropped 0.6 percent to 79 baht (\$2.76) a kilogram on April 19, the lowest since October 2009, according to Rubber Research Institute of Thailand data. Bloomberg