

Rubber Advances as U.S. Housing, Weak Yen Boost Demand Outlook

Rubber climbed, paring a third monthly drop, on speculation that an improving housing market in the U.S. and a weakening Japanese currency will increase demand for the commodity used in tires. Rubber for delivery in October rose as much as 2.1 percent to 262.5 yen a kilogram (\$2,677 a metric ton) on the Tokyo Commodity Exchange, before trading at 260.6 yen at 11:07 a.m. local time. Futures are set for a 4.9 percent decline this month. Asian stocks surged, sending the regional benchmark index to its highest level since 2008, after U.S. home sales climbed and amid speculation that central banks around the world will keep stimulating growth. The yen fell against a majority of its most-traded counterparts as the rally in equities boosted demand for higher-yielding assets. "The U.S. economic data was supportive," said Naohiro Niimura, a partner at research company Market Risk Advisory Co. in Tokyo. The index of pending home sales increased 1.5 percent after a revised 1 percent decline the prior month, figures from the National Association of Realtors showed yesterday in Washington. The MSCI Asia Pacific Index climbed 8.6 percent this year through yesterday amid optimism Japan will deploy more measures to beat deflation and that policy makers in the U.S. and China remain on standby to support growth. Thai rubber free-on-board gained for a sixth day yesterday, rising 1.2 percent to 84.55 baht (\$2.89) a kilogram, according to Rubber Research Institute of Thailand. Bloomberg