

Rubber Snaps Five-Day Rally as Rebound in Yen Reduces Appeal

Rubber fell from a two-month high, snapping a five-day winning streak, as a rebound in Japan's currency against the dollar cut the appeal of yen-based futures. Rubber for delivery in October lost as much as 2 percent to 288 yen a kilogram (\$2,837 a metric ton) on the Tokyo Commodity Exchange and was at 289.8 yen at 10:18 a.m. The most-active contract surged to 299 yen yesterday, the highest level since March 12, as the yen breached 102 per dollar for the first time since October 2008. The yen climbed to 101.37 per dollar today. Group of Seven finance chiefs yesterday indicated they will tolerate a slide in the currency for now. Japan's Nikkei-225 Stock Average reached the highest level since January 2008 yesterday. "Futures lost steam as currency and equities markets stabilized," Makoto Sugitani, the head of sales at Newedge Japan Inc. in Tokyo, said today by phone. Thai rubber free-on-board rose 1.1 percent to 90.30 baht (\$3.05) a kilogram May 10, the highest level since March 12, according to the Rubber Research Institute of Thailand. It was a 14 percent rebound from this year's low of 79 baht reached on April 19. The nation, the biggest rubber producer, extended curbs on exports by 60 days to the end of May to boost prices, Deputy Farm Minister Yuttapong Charasathien said April 1. Rubber for delivery in September on the Shanghai Futures Exchange fell 0.3 percent to 20,445 yuan (\$3,326) a ton. Bloomberg