

Rubber Swings Between Losses and Gains Ahead of BOJ Decision

Rubber swung between losses and gains as the yen erased its advance against the dollar today before a policy decision from the Bank of Japan. The contract for delivery in October traded at 287.4 yen a kilogram (\$2,802 a metric ton) on the Tokyo Commodity Exchange at 11:01 a.m. after moving between a 0.6 percent gain and 0.7 percent loss. The most-active contract climbed to 294.4 yen yesterday, the highest level since May 13. The yen traded at 102.58 per dollar, reversing a 0.1 percent advance. The Bank of Japan concludes a two-day policy meeting today as a government report showed the nation's trade deficit swelled in April, highlighting weakness in global demand that may weigh on efforts to revive the third-biggest economy. "The market lacked a direction as investors are awaiting results of the policy meeting," said Naohiro Niimura, a partner at research company Market Risk Advisory Co. in Tokyo. Federal Reserve Bank of St. Louis President James Bullard said yesterday the Fed should continue its bond buying to support growth. Chairman Ben S. Bernanke will testify on the economy in Congress today as economists forecast U.S. existing home sales climbed in April to the highest since November 2009. Thai rubber free-on-board rose 0.6 percent to 90.35 baht (\$3.03) a kilogram yesterday, the highest level since March 11, according to the Rubber Research Institute of Thailand. Rubber for delivery in September on the Shanghai Futures Exchange lost 1.3 percent to 20,230 yuan (\$3,398) a ton. Bloomberg