

Tokyo rubber futures fall for second day on firmer yen (June 6)

TOKYO, June 6 (Reuters) – Benchmark Tokyo rubber futures fell about 2 percent on Thursday, dragged down by the dollar falling below 99 yen and further weakness in Japanese share prices.

FUNDAMENTALS* The benchmark Tokyo Commodity Exchange (TOCOM) rubber contract for November delivery was trading 1.6 percent lower at 253 yen as of 0026 GMT.* The contract earlier fell as low as 251.2 yen, a level last seen on June 3.* Earlier this week, a rise in the dollar above 100 yen helped the contract to rise as high as 262.3 yen.* A higher yen lowers yen-based TOCOM prices, even though dollar-based prices in rubber producing countries stay little changed, and often invites speculative selling.* Crude rubber inventories at Japanese ports as of May 20 fell to 14,881 tonnes, down 756 tonnes over a 10-day period to a two-month low, data from the Rubber Trade Association of Japan showed.* U.S. job growth probably picked up only slightly in May, suggesting the economy is still in a rut and not ready for the Federal Reserve to dial back its monetary support. Jobs data is due on Friday.

MARKET NEWS* The yen was sharply higher on Thursday as a rout in Japanese stocks forced investors out of popular carry trades, while commodity currencies were under fierce pressure with the Australian dollar wallowing at 19-month lows.* Japan's Nikkei share average dropped below 13,000 for the first time in two months on Thursday following disappointing U.S. private jobs data, extending the Japanese index's 18 percent slide from a 5-1/2 year peak hit last month.* U.S. oil held gains from the previous day on Thursday, supported a steep fall in U.S. crude stocks and import declines, but caution remains over the strength of demand and a key jobs report later in the week.

DATA EVENTS* The following data is expected on Thursday: (Time in GMT)1000 Germany Industrial orders1100 Bank of England policy decision1145 European Central Bank policy decision1230 ECB's Mario Draghi holds news conference1230 U.S. Weekly jobless claims(Reporting by Risa Maeda; Editing by Ed Davies)Reuters