

Tokyo rubber futures rise to one-week high as stocks gain (April 25)

TOKYO, April 25 (Reuters) – Tokyo rubber futures rose to a one-week high on Thursday, extending gains into a second session as the yen stayed near the 100 level to the dollar and optimism over corporate earnings lifted Japanese share prices to nearly five-year highs.

FUNDAMENTALS* The benchmark Tokyo Commodity Exchange rubber contract for October delivery traded 1.2 percent higher at 261.5 yen per kg as of 0022 GMT. The contract earlier rose as high as 263.1 yen, the highest level for any TOCOM benchmark since April 16. * The TOCOM market hit a five-month low of 242.6 yen on April 18 as weak gross domestic product data from China fuelled demand concerns. * Europe's deepening car market slump is starting to strain two of its most prosperous automakers, Volkswagen and Daimler, as they respond to profit-crushing discounts imposed by loss-making rivals in a desperate battle for customers. * A dropoff in Chinese demand for soybeans used to feed poultry and livestock could last for months, as consumers lose their appetite for poultry in response to a deadly bird flu virus outbreak and amid lingering images of rotting pig carcasses floating in a river. * In Thailand, the world's biggest rubber producer, farmers usually resume tapping trees for the commodity in late April after a one-month break during the dry season.

MARKET NEWS* The yen was steady against its major counterparts in early Asia trading on Thursday, with the dollar still shy of the 100-yen mark and the euro remaining off overnight lows hit in the wake of disappointing German data. * Japan's Nikkei share average rose in early trade on Thursday, extending the previous session's sharp rally, driven by expectations that yen weakness will spur strong earnings growth for Japanese firms. * Oil prices rose on Wednesday, led by gains of 2.5 percent in U.S. crude on a surprisingly big drop in weekly gasoline stockpiles and speculation that a glut of crude at the Cushing, Oklahoma hub could soon ease.

DATA EVENTS* The following data is expected on Thursday: (Time in GMT) 0830 UK Q1 GDP 1230 U.S. Weekly jobless claims 1500 U.S. Kansas City Fed manufacturing (Reporting by Risa Maeda; Editing by Richard Pullin) Reuters