

Rubber Gains From One-Month Low as U.S. Auto Sales Beat Estimate

Rubber increased from the lowest level in a month after data showed U.S. auto sales expanded more than analysts' estimates, raising speculation demand will increase for the commodity used in tires. Rubber for delivery in November advanced as much as 2 percent to 262 yen a kilogram (\$2,632 a metric ton) and was at 259.8 yen on the Tokyo Commodity Exchange at 10:50 a.m. Futures have pared this year's losses to 14 percent. U.S. light-vehicle sales climbed 8.2 percent to 1.44 million units last month, according to Woodcliff Lake, New Jersey-based Autodata. Deliveries topped the 1.43 million average estimate of 10 analysts surveyed by Bloomberg. "The market drew support from better-than-expected U.S. data," Kazuhiko Saito, an analyst at broker Fujitomi Co. in Tokyo, said by phone today. Thai rubber free-on-board fell 3.8 percent to 88.40 baht (\$2.91) a kilogram yesterday, the lowest level since May 3, according to the Rubber Research Institute of Thailand. Rubber for delivery in September on the Shanghai Futures Exchange rose 1 percent to 19,150 yuan (\$3,123) a ton. Natural-rubber inventories dropped for a fourth week, by 0.6 percent, to 114,225 tons, the bourse said on May 31, based on a survey of nine warehouses in Shanghai, Shandong, Yunnan, Hainan and Tianjin, according to the exchange. Bloomberg