

Asian Rubber Settles Lower; ITRC Ministerial Meeting Next Week

Asian rubber settled lower Tuesday because of persistent macroeconomic concerns.

Benchmark May natural rubber futures on the Tokyo Commodity Exchange settled Y1.6 lower at Y262.1 a kilogram taking as the yen's losses are likely limited to around current levels, said Kaname Gokon, deputy general manager at Tokyo-based brokerage Okato Shoji.

Tocom rubber may face further downside this week to Y255-Y260/kg, although its upside potential remains intact on overall firm car sales data, he added.

U.S. consumers took advantage of cheap financing to ditch aging cars in November, pushing auto sales for the month to the strongest pace in more than four years, data show.

Sales of cars and light trucks jumped 15% to 1.14 million in November compared with a year ago and the seasonally adjusted, annualized sales rate was 15.5 million, the highest since January 2008, said market researcher Autodata Corp.

May Tocom rubber closed Y1 lower at Y261.1/kg in the night session, which is considered part of the next trading day.

Benchmark May natural rubber futures on the Shanghai Futures Exchange settled flat.

Asian physical rubber prices were lower with buyers from China active but looking for shipments in February or later, said a Singapore-based dealer adding that high inventory levels at Qingdao warehouses are putting downside pressure on prompt domestic rubber in China.

Ministers from International Tripartite Rubber Council members Thailand, Indonesia and Malaysia are meeting at Phuket Dec. 12, said International Rubber Consortium chief secretary Yium Tavarolit. The agenda for the annual meeting includes progress on a proposed regional rubber market, he said.

The world's fourth-largest natural rubber exporter Vietnam hasn't confirmed if it is sending a minister but will send a senior official, Yium added. ITRC has invited Vietnam to join and it is considering the offer. IRC