

Rubber Pares Fifth Weekly Drop as U.S. Data Ease Demand Concerns

Rubber rebounded from a nine-month low, paring a fifth weekly drop, as better-than-expected U.S. retail sales and jobs data eased concerns demand may weaken for the commodity used in tires. The contract for delivery in November gained as much as 2.4 percent to 236.8 yen a kilogram (\$2,493 a metric ton) on the Tokyo Commodity Exchange, after reaching the lowest settlement since Sept. 7 yesterday. Futures have lost 4.2 percent this week, extending this year's drop to 22 percent. They traded at 235.4 yen at 11:13 a.m. local time. Data today may show U.S. industrial output expanded in May, adding to evidence that the world's largest economy is improving. Reports showed yesterday the biggest increase in retail sales in three months and fewer-than-expected jobless claims. "Rubber was bought back as the U.S. data halted a slump in global stocks and a rally in the yen," Kazuhiko Saito, an analyst at broker Fujitomi Co. in Tokyo, said by phone today. The yen traded at 95.02 per dollar after jumping to 93.79 yesterday, the strongest level since April 4, weakening the appeal of the contracts denominated by the Japanese currency. It's poised for a fourth-straight week of gains versus the dollar, the longest since July 2012. Thai rubber free-on-board dropped 1.1 percent to 86.50 baht (\$2.80) a kilogram yesterday, according to the Rubber Research Institute of Thailand. Rubber for delivery in September on the Shanghai Futures Exchange added 0.3 percent to 17,795 yuan (\$2,899) a ton.