

Tokyo rubber futures fall to 3-month lows on demand worries (Mar. 14)

TOKYO, March 14 (Reuters) – Key TOCOM rubber futures dipped to a three-month low on Thursday, extending losses into a third straight day, with demand outlook being hurt by news that monetary policy in China, the world's biggest rubber user, had changed to neutral from loose.

FUNDAMENTALS

* The key Tokyo Commodity Exchange rubber contract for August delivery <#2JRU> traded 2.4 percent lower at 273.9 yen per kg as of 0025 GMT.

* The benchmark contract earlier fell as low as 273.5 yen, its lowest since Dec. 14. On Monday, it hit its highest in more than two weeks of 303.3 yen on the back of a weaker yen.

* China must stabilise inflation expectations, the head of the People's Bank of China said on Wednesday, vowing to vigilantly manage the risks of rising prices as the central bank's first priority while also pledging further capital market reforms.

* Hong Kong shares erased 2013 gains on Wednesday, with losses accelerating in the late afternoon after the Chinese central bank governor said monetary policy in the world's second-largest economy was no longer loose.

MARKET NEWS

* Japan's Nikkei share average rebounded on Thursday following two straight days of losses, led by some exporters and other consumer stocks.

* The U.S. dollar hovered near seven-month highs against a basket of currencies on Thursday as investors warmed to the greenback following bullish economic data, while dovish comments from New Zealand's central bank sent the kiwi dollar packing.

* Brent crude fell on Wednesday on a larger-than-expected increase in U.S. crude inventories, a firming dollar, and a forecast from the International Energy Agency that oil demand will shrink.

* The United States extended 180-day waivers on Iran sanctions to Japan and 10 European Union nations in exchange for their cutting purchases of the OPEC nation's crude oil, Secretary of State John Kerry said on Wednesday.

DATA EVENTS

* The following data is expected on Thursday: (Time in GMT)1000 Euro zone Employment1230 U.S. PPI inflation1230 U.S. Current

