

Tokyo rubber futures rise on demand optimism, firmer yen caps (May 21)

TOKYO, May 21 (Reuters) – Key Tokyo rubber futures rose on Tuesday, extending gains into a third session in a row and approaching last week's two-month high on optimism about global demand, but gains were limited by a rebound in the yen. FUNDAMENTALS* The key Tokyo Commodity Exchange (TOCOM) rubber contract for October delivery was trading 1.2 percent higher at 292.9 yen per kg as of 0116 GMT.* The October contract is recovering after falling as low as 276.3 yen last Thursday amid concerns over a seasonal rise in rubber supply, and is not far off a two-month high of 299 yen touched earlier last week.* While U.S. stocks edged lower, major indices elsewhere mostly rose on Monday. MSCI's all-country world equity index rose 0.43 percent to its highest since June 2008. MARKET NEWS* Japan's Nikkei share average eased from a 5-1/2-year high on Tuesday as Wall Street ended flat and the dollar slipped against the yen on caution before U.S. Federal Reserve Chairman Ben Bernanke's testimony.* The dollar traded at around 102.70 yen on Tuesday, retreating from a 4-1/2-year high marked late last week after Japan's Economy Minister Akira Amari said on Monday the yen's excessive strength had largely corrected and that further weakness could damage Japan's economy.* Crude oil prices rose on Monday against a weaker dollar, but ample oil supplies limited gains, even as equity markets hovered at record levels. DATA EVENTS* The following data is expected on Tuesday: (Time in GMT) 0600 Germany Producer prices 1145 U.S. ICSC weekly chain store sales 1255 U.S. Redbook weekly retail sales 2030 U.S. API weekly crude stocks (Reporting by Risa Maeda; Editing by Richard Pullin) Reuters