

Rubber Swings on Weaker Yen, Concern Demand May Soften in China

Rubber futures swung between gains and losses as investors weighed weakness in the yen, which boosts the appeal of contracts in the Japanese currency, against concern that demand may slow in China. The contract for delivery in October was little changed at 265.7 yen a kilogram (\$2,609 a metric ton) at 11:24 a.m. in Tokyo after trading between 264.5 yen and 269.5 yen on the Tokyo Commodity Exchange. Futures for November delivery, listed on the bourse today, traded at 268 yen after opening at 267.7 yen. The yen snapped a three-day advance, weakening as much as 1 percent against the dollar before U.S. data today forecast to show consumer confidence improved and home prices rose. A report showed last week that China's manufacturing was contracting in May for the first time in seven months, raising concern that demand will weaken in the biggest consumer of rubber. "Rubber has followed the yen's movements over the past days, while the prospect of slowing demand in China weighed down the market," said Kazuhiko Saito, an analyst at broker Fujitomi Co. in Tokyo. Rubber for delivery in September on the Shanghai Futures Exchange fell 0.2 percent to 19,075 yuan (\$3,114) a ton. Thai rubber free-on-board dropped 0.6 percent to 90.65 baht (\$3.03) a kilogram yesterday, according to the Rubber Research Institute of Thailand. Bloomberg