

Rubber Rises as Yen Weakens After Cyprus Gets Closer to Bailout

Rubber futures advanced as Cyprus reached a tentative agreement on an international bailout and Japan's currency weakened, boosting the appeal of the yen-denominated contracts. The contract for delivery in August advanced as much as 1.5 percent to 282.7 yen a kilogram (\$2,983 a metric ton) before trading at 281.7 yen on the Tokyo Commodity Exchange at 10:04 a.m. The gain pared this year's loss to 6.9 percent. The yen dropped to 94.96 per dollar as the euro rallied on indications Cyprus is moving toward a deal eliminating the threat of default. "The news about Cyprus eased concerns about the crisis, spurring investors to buy back the futures," Kazuhiko Saito, an analyst at broker Fujitomi Co. in Tokyo, said by phone. Finance ministers from the 17-nation euro area are now meeting in Brussels to consider approving the accord, reached by Cyprus with the "troika" representing international lenders, a European official said today. The contract for September delivery on the Shanghai Futures Exchange gained 1.2 percent to 23,070 yuan (\$3,714) a ton on March 22. Natural-rubber inventories climbed 2,188 tons to 115,991 tons, the highest in about three years, the bourse said on March 22, based on a survey of nine warehouses in Shanghai, Shandong, Yunnan, Hainan and Tianjin. Thai rubber free-on-board declined 0.5 percent to 86.20 baht (\$2.94) a kilogram on March 22, the Rubber Research Institute of Thailand said on its website. Bloomberg