

Tokyo rubber futures fall 1 pct on demand worries (May 27)

TOKYO, May 27 (Reuters) – Benchmark Tokyo rubber futures fell more than 1 percent on Monday, extending the previous week's near 6 percent loss, amid worries over slowing demand in China and possible oversupply in coming months.

FUNDAMENTALS* The benchmark Tokyo Commodity Exchange (TOCOM) rubber contract for October delivery was down 3.5 yen at 267.3 yen as of 0015 GMT. The benchmark contract fell as low as 266.5 yen, near a two-week low of 265.9 yen hit on Friday.* The front-month May contract expires at the end of Monday trading.* Rubber inventories in warehouses monitored by the Shanghai Futures Exchange fell 4.4 percent from last Friday, the exchange said on Friday.* U.S. and British markets are closed on Monday due to public holidays.

MARKET NEWS* The S&P 500 declined for a third day on Friday, with the three major U.S. stock indexes posting their first negative week since mid-April on lingering concern that the U.S. central bank may scale back its stimulus measures to support the economy.* The dollar dipped against the yen in early Asian trade on Monday after marking its worst week in a year on Friday, as volatility in Japanese stocks and bonds pulled it well away from its highest level in 4-1/2 years.* U.S. crude futures fell below \$94 a barrel on Monday, amid lingering worries over an economic slowdown in China, the world's No. 2 oil consumer, and concerns that the U.S. Federal Reserve would curb its stimulus programme.* Japan's benchmark Nikkei average fell 3.04 percent to 14,167.75 on Monday, while the broader Topix shed 2.47 percent to 1,164.56.

(Reporting by Osamu Tsukimori; Editing by Chris Gallagher)Reuters