

Rubber prices decline on growing concerns of global economic slowdown

TOKYO: Rubber declined from a one-week high, paring the first weekly advance in three, as concerns grew that a slowdown in global economies will curb raw-material demand.

Rubber for March delivery dropped 1% to settle at 257.7 yen a kg (\$3,224 a tonne) on the Tokyo Commodity Exchange over the weekend. The contract increased 0.9% this week.

Gross domestic product expanded 1.6% in the three months through September from a year earlier, the slowest pace since 2009, Bank of Korea data showed, adding to signs that Europe's debt crisis decelerates growth in emerging markets. Asian stocks fell as China Unicom and Apple joined companies posting results that missed analysts' estimates.

"Concerns about a global slowdown put a drag on the market," said Takaki Shigemoto, an analyst at research company JSC Corp in Tokyo.

Futures also declined as the Japanese currency rebounded from a four-month low against the dollar, reducing the appeal of yen-denominated contracts, he said.

The yen weakened to 80.38 per dollar, the lowest level since June 25, before recovering to 79.92 at 4:04 pm Tokyo time. A report showing Japan's consumer prices declined for a fifth month added to prospects the central bank will expand monetary easing next week. The Nikkei newspaper has reported the Bank of Japan will consider increasing its asset-purchase program by 10 trillion yen to 90 trillion yen.

Rubber for January delivery lost 0.5% to close at 24,765 yuan (\$3,970) a tonne on the Shanghai Futures Exchange. Thai rubber free-on-board rose to 95.20 baht on Friday (\$3.10) a kilogram from 93.80 baht on Thursday, according to the Rubber Research Institute of Thailand.

Rains spread across 70% of Thailand's south, disrupting tapping, according to the institute. The southern region accounts for 80% of the country's supplies.