

## Tokyo rubber futures ease on cautious view of demand (Jan. 28)

TOKYO, Jan 28 (Reuters) – Key TOCOM rubber fell slightly on Monday as investors grew cautious over demand from China, the world's biggest rubber user, after a rally driven by a weakening yen failed to lift rubber prices above recent highs.

### FUNDAMENTALS

\* The most active Tokyo Commodity Exchange rubber contract for June delivery <#2JRU> was down 0.8 yen at 310.8 yen per kg as of 0020 GMT.

\* The newly listed July contract, which is to become the benchmark later in the day, traded at 314 yen after opening at 316.3 yen.

\* A weaker yen helped the TOCOM market to reach a nine-month high of 321 yen on Jan. 11.

\* Profits earned by China's industrial companies rose 17.3 percent in December from a year earlier to 895.2 billion yuan (\$143.91 billion), but the year-on-year growth weakened from November's 22.8 percent, official data showed on Sunday.

\* Rubber inventories in key Shanghai warehouses, which have been rising to record levels since November, posted their largest weekly fall in nine months, data from the exchange showed on Friday. Traders said the decline was largely due to storage regulations that have forced some merchants to withdraw stocks.

\* U.S. auto sales in January are expected to continue the torrid pace set at the end of last year, with sales rising as much as 15 percent due to an improving housing market and pent-up demand for cars and trucks.

### MARKET NEWS

\* Japan's Nikkei share average rose at Monday's open, striking a 32-month high above 11,000, although the benchmark quickly pared gains as investors awaited domestic earnings results for cues.

\* The euro was buoyed near an 11-month high against the dollar on Monday on mounting signs of recovering economic confidence in Europe. The yen slipped to a 2-1/2 month low versus the dollar on expectations of more monetary easing in Japan.

\* Oil traders sold crude to book profits on Friday after strong data from major economies increased optimism about the state of the world economy and underpinned gains made during the week.

DATA EVENTS\* The following data is expected on Monday:0900 Italy Consumer confidence0900 Euro zone Money M3 growth1330 U.S Durable goods orders1330 U.S. Midwest Manufacturing Index1500 U.S.Pending home sales1530 U.S. Dallas Fed Manufacturing Index(Reporting by Risa Maeda; Editing by Tom Hogue)Reuters