

Rubber Climbs From Four-Week Low on Weak Yen, Chinese Stockpiles

Rubber rebounded from a four-week low as a drop in Japan's currency against the dollar raised the appeal of the yen-based futures and stockpiles declined in China, the largest consumer. Rubber for delivery in November advanced as much as 2.7 percent to 264 yen a kilogram (\$2,611 a metric ton) before trading at 262 yen on the Tokyo Commodity Exchange at 11:27 a.m. The most-active contract has fallen 0.2 percent this month. The yen declined 0.6 percent to 101.28 per dollar as data showing a decline in consumer prices added to the case for the Bank of Japan to step up its stimulus efforts. Rubber inventories in Qingdao, China's main hub for the commodity, fell to 360,000 metric tons from 363,300 tons on May 15, the Qingdao International Rubber Exchange said yesterday. "Futures drew support from the currency market and the Chinese data," Kazuhiko Saito, an analyst at broker Fujitomi Co. in Tokyo, said by phone today. Japan's consumer prices excluding fresh food fell 0.4 percent in April from a year earlier, the statistics bureau said today, compared with a 0.5 percent drop the prior month. The inflation rate hasn't been above zero in the past year. Thai rubber free-on-board rose 0.8 percent to 91.40 baht (\$3.03) a kilogram yesterday, the highest level since Feb. 21, according to the Rubber Research Institute of Thailand. Rubber for delivery in September on the Shanghai Futures Exchange rose 1 percent to 19,020 yuan (\$3,100) a ton.