

## Rubber Futures Retreat as Strengthening Yen Reduces Their Appeal

Rubber declined after the longest weekly winning streak since November 2007 as the Japanese yen rebounded from its weakest level in 2 1/2 years, reducing investor's appetite for yen-denominated contracts.

Rubber for delivery in June fell as much as 1.6 percent, to 311.3 yen a kilogram (\$3,471 a metric ton) on the Tokyo Commodity Exchange, before trading at 312.9 yen at 11:26 a.m. local time. The price gained 3.6 percent on Jan. 18, the biggest advance at the close since Oct. 25.

"Investors took a cue from the strengthening Japanese yen to take profits after recent rallies in the rubber market," Ker Chung Yang, an analyst at Phillip Futures Pte, said by phone from Singapore.

Asian stocks fell from a 17-month high and the yen rallied its lowest level since June 2010 as Bank of Japan policy makers begin a two-day meeting. All 23 economists in a Bloomberg News survey expect the BOJ to expand its asset purchases as Prime Minister Shinzo Abe works to end more than a decade of deflation and stimulate the economy.

Abe's pledges of aggressive fiscal and monetary action triggered a 10 percent decline in Japan's currency against the dollar from mid-November through last week, as the Topix Index capped its longest weekly winning streak since 1986. A weakening currency aids exporters' income.

Rubber for delivery in May dropped 0.6 percent to 25,800 yuan (\$4,147) a ton on the Shanghai Futures Exchange. Natural-rubber inventories dropped 152 tons to 101,330 tons last week, declining for the first time in five months, based on a survey of nine warehouses in Shanghai, Shandong, Yunnan, Hainan and Tianjin, the Shanghai Futures Exchange said Jan. 18.

Thai rubber free-on-board gained 1 percent to 98.70 baht (\$3.32) a kilogram on Jan. 18, according to the Rubber Research Institute of Thailand.