

Tokyo futures flat, demand outlook seen lower (Aug 8)

TOKYO, Aug 8 (Reuters) – Key TOCOM rubber futures were little changed on Wednesday after an industry group trimmed its global rubber consumption forecast for this year, offsetting strong stock markets on the back of hopes for more economic stimulus and action on the euro zone debt crisis.

FUNDAMENTALS

- * The key Tokyo Commodity Exchange rubber contract for January delivery was down 0.2 yen, or 0.1 percent, at 227.0 yen as of 0017 GMT. The benchmark contract remains above a 2-1/2 year low of 222.4 yen marked on July 24.
- * The International Rubber Study Group (IRSG) on Tuesday forecast global rubber consumption at 26.6 million tonnes in 2012, lower than its previous estimate of 26.8 million tonnes but up from 25.9 million tonnes in 2011. Global demand for natural and synthetic rubber is likely to rise 4 percent year-on-year to 27.7 million tonnes in 2013 as consumers start rebuilding inventories, the group said.
- China's rubber consumption was forecast at 8.7 million tonnes in 2012 and 9.1 million tonnes in 2013, up from 8.3 million tonnes last year, the group said.

MARKET NEWS

- * U.S. stocks rose for a third straight day on Tuesday, pushing the S&P above 1,400 for the first time since early May, on growing optimism the European Central Bank would act soon to contain the euro zone's debt crisis.
- * The euro traded little changed against the dollar on Tuesday, taking a breather after a two-day rally sparked by expectations of further action by the European Central Bank to lower borrowing costs for Spain and Italy.
- * Oil prices jumped to a 12-week peak on Tuesday as falling North Sea output, support for more bond buying by the U.S. Federal Reserve and Middle East tensions lifted crude futures to a third straight higher settlement.
- * Japan's benchmark Nikkei average opened up 0.98 percent at 8,889.38 on Wednesday.

DATA EVENTS

- * The following data is expected on Wednesday: (Time in GMT) - 1000 Germany Industrial output June - 1100 US Mortgage market index - 1230 US Productivity Q2, labour costs Q2 - 1430 US EIA oil stocks data (Reporting by Osamu Tsukimori; Editing by Edmund Klamann)