

Tokyo rubber futures hit 1-week low on fears of falling demand

BANGKOK, May 2 (Reuters) – Tokyo rubber futures fell more than 3 percent on Thursday to their lowest in a week as growing concerns about weakening U.S. and Chinese economies threw up questions on demand and spurred stop-loss selling, dealers said. The benchmark rubber contract on the Tokyo Commodity Exchange for October delivery dropped 6.1 yen to settle at 253.5 yen (\$2.60) per kg. It fell as much as 8.8 yen, or 3.4 percent, to an intra-day low of 250.8, the lowest since April 23. “Investors liquidated contracts to avoid risks due largely to fears about a weaker economy, especially in China,” said a Bangkok-based dealer. China’s factory-sector growth eased in April as new export orders fell for the first time this year, a private survey showed on Thursday, suggesting the euro zone recession and sluggish U.S. demand may be risks to China’s economic recovery. The U.S. Federal Reserve said on Wednesday it will keep buying \$85 billion in bonds each month to keep interest rates low and spur growth, but added it could lift or taper this pace of purchases depending on the economy’s path. The most-active rubber contract on Shanghai futures exchange for September delivery was up 40 yuan to finish at 19,120 yuan (\$3,100) per tonne. The front-month June rubber contract on Singapore’s SICOM exchange was last traded at 244.5 U.S. cents per kg, down 3.2 cents. (\$1 = 97.3450 Japanese yen) (\$1 = 6.1650 Chinese yuan) (Reporting by Apornrath Phoonphongphiphat; Editing by Muralikumar Anantharaman)