

Tokyo rubber futures rise on lower yen in thin trade (June 24)

TOKYO, June 24 (Reuters) – Benchmark Tokyo rubber futures edged up in thin early trade on Monday as a weaker yen and firmer local share market spurred buying, but gains were capped by concerns over slowing demand and a cash crunch in China.

FUNDAMENTALS* The benchmark Tokyo Commodity Exchange (TOCOM) rubber contract for November delivery was trading up 0.59 percent at 237.7 yen per kg as of 0046 GMT.* The contract touched 238.8 yen in early trade. It gained 0.4 percent last week.* Crude rubber inventories at Japanese ports as of June 10 fell to 13,209 tonnes, down 1,035 tonnes over a 10-day period to the lowest level since March 10, data from the Rubber Trade Association of Japan showed.* Japanese Prime Minister Shinzo Abe's ruling bloc swept to victory in a weekend Tokyo election, a sign it's on track for a hefty win in a July national vote that could strengthen Abe's hand as he aims to end economic stagnation.* China's central bank faced down the country's cash-hungry banks on Friday, letting interest rates again spike to extraordinary levels of some 25 percent for some banks as it stepped up the pressure to contain rampant informal lending.* St. Louis Federal Reserve Bank President James Bullard on Friday issued a sharp rebuke of his colleagues' decision to announce a plan to reduce the central bank's bond buying, calling the move premature and worrying the Fed is risking its credibility as a force for price stability.

MARKET NEWS* Japan's Nikkei share average rose 1.4 percent on Monday, extending its previous session's gains, on the back of a weaker yen and after Japan's ruling party won a sweeping election victory in the Tokyo Metropolitan Assembly elections on Sunday.* The dollar scaled a fresh two-week peak against a basket of major currencies in Asia on Monday, as momentum builds after the Federal Reserve laid out a roadmap for scaling back stimulus.* Oil slid for a second day in choppy trade on Friday, with Brent posting its biggest two-day drop since September as the U.S. dollar rallied and traders feared slower oil demand in China and diminished investor demand in the United States.

DATA EVENTS* The following data is expected on Monday: (Time in GMT)0800 Germany Ifo business climate0800 Germany Ifo expectations0800 Italy Consumer confidence1230 U.S.Chicago National Activity Index1430 U.S.Dallas Fed Manufacturing Index (Reporting by Yuka Obayashi; Editing by Richard Pullin)Reuters