

Rubber has best weekly gain in two months on ECB plan

TOKYO: Rubber gained last week, rounding out the best weekly advance in two months, as a plan to address Europe's debt crisis and increased infrastructure spending in China boosted confidence in the outlook for global demand.

February-delivery rubber rose 0.4% to 227.8 yen a kg (\$2,887 a tonne) on the Tokyo Commodity Exchange. The most-active contract has advanced 4.6% this week, the best performance since the week to July 6.

European Central Bank President Mario Draghi said Thursday that policy makers agreed to an unlimited bondpurchase program to help prevent a breakup of the currency bloc.

China approved plans to build 2,018 km of roads, the second major construction project announced this week, as the government boosts spending to help spur growth.

"News from ECB and China are favourable , improving market sentiment ," said Chaiwat Muenmee, an analyst at Bangkok-based commodity broker DS Futures Co. Futures also advanced on speculation that that Chinese buyers will build up stockpiles ahead of national holidays in early October .

Thailand, the largest exporter, will refrain from selling rubber from government stockpiles to help stem a drop in prices, Deputy Farm Minister Nattawut Saikuar said in a statement.

Most-active prices in Tokyo have lost 14% this year. January-delivery rubber rose 0.6% to close at 22,165 yuan (\$3,495) a tonne on the Shanghai Futures Exchange. Thai rubber free-on-board climbed 0.3% to 87.35 baht (\$2.80) a kg on Friday, according to data from the Rubber Research Institute of Thailand.