

Tokyo rubber futures rise 1 pct as Cyprus concerns ease (Mar. 25)

TOKYO, March 25 (Reuters) – Key TOCOM rubber futures rose 1 percent on Monday, paring recent losses as light bargain-hunting emerged after Cyprus reached a bailout plan with international lenders, pending approval from euro zone finance ministers.

FUNDAMENTALS* The key Tokyo Commodity Exchange rubber contract for August delivery JRU:> was trading 1.1 percent higher at 281.5 yen per kg as of 0035 GMT.* The contract fell 1.6 percent on the week last week, when it moved in a range of between 285.1 yen and 269.5 yen as it reacted to developments in the debt crisis in Cyprus and the monetary policies of major central banks.* The euro rose on Monday after EU sources said Cyprus’s president and the European Union have agreed the outline of a rescue deal that would include the creation of a “good bank” and a “bad bank”.* China’s economy faces more headwinds as it struggles with surplus production capacity and risks to the financial system, a member of the country’s top decision-making body said on Sunday, calling for sweeping reforms, including lessening state control.* China’s economy should expand by 8.5 percent in 2013 and more in 2014, with inflation and export demand the biggest near term risks to growth that should average 8 percent in this decade at current rates of investment and reform, the OECD said on Friday.

MARKET NEWS* Japan’s Nikkei average rebounded in early trade on Monday after a sharp fall at the end of last week, as Cyprus and the European Union agreed to a plan to resolve the island’s financial crisis.* U.S. crude futures stood steady near \$94 a barrel on Monday.* Hedge funds and other large speculators raised their bets on higher U.S. crude oil prices for the second consecutive week in the seven days to March 19, regulatory data showed on Friday.* The dollar stood at around 94.90 yen in early Monday trade, slightly higher than around 94.50 yen in late New York trade on Friday.

The highly liquid Japanese currency tends to be bought during times of economic uncertainty and heightened financial market stress.

DATA EVENTS* The following data is expected on Monday: (Time in GMT)0900 Italy Consumer confidence1230 U.S. Chicago Fed Midwest manufacturing1230 U.S. Chicago Fed national activity1430 U.S. Dallas Fed Texas manufacturing1715 Federal Reserve Chairman Ben Bernanke speaks (Reporting by Risa Maeda; Editing by Joseph Radford)