

Tokyo futures drop to 3-week low on Europe woes (July 23)

TOKYO, July 23 (Reuters) – Key TOCOM rubber futures fell to a three-week low early on Monday, tracking falls in shares and oil and weighed down by the yen's advance on the dollar, with investors concerned that Europe's lingering debt crisis could curb demand for the material.

FUNDAMENTALS

- * The key Tokyo Commodity Exchange rubber contract for December delivery was down 4.8 yen, or 2 percent, at 240.5 yen per kg at 0045GMT. The benchmark contract fell as low as 238.8 yen, the lowest since July 2.
- * Spain's indebted eastern region of Valencia requested financial aid from the government on Friday, followed by Murcia on Sunday, while media reported another six regional governments could follow, leaving investors more concerned about the stability of the country and its banks.
- * Maruti Suzuki, India's biggest car company, has no idea when a factory hit by a deadly riot will reopen, the Indian carmaker's chairman acknowledged on Saturday, saying it was impossible to import extra vehicles or shift lost production to another plant.

MARKET NEWS

- * Japan's Nikkei share average fell 1 percent at Monday's open, while oil prices extended losses after snapping a string of seven straight higher settlements on Friday, as the euro zone debt crisis brought economic concerns back into focus.
- * The yen was last trading at 78.56 to the dollar, compared to Friday's high of 78.80.

DATA EVENTS

- * The following data is expected on Monday:
 - 0130 Australia producer price index for Q2 - 1400
 - Euro zone consumer confidence for July - 1500 U.S.
 - US export wheat inspections Weekly - 1500 U.S.
 - US export corn inspections Weekly - 1500 U.S.
 - US export soy inspections Weekly (Reporting by Yuko Inoue; Editing by Joseph Radford)