

Tokyo rubber futures fall 1 pct as yen pares losses (Feb. 5)

TOKYO, Feb 5 (Reuters) – Key TOCOM rubber futures dropped 1 percent on Tuesday after hitting a 10-month high the day before, with the yen paring recent losses and stock markets pulling back on renewed worries about the euro zone.

FUNDAMENTALS

* The most-active Tokyo Commodity Exchange rubber contract for July delivery <#2JRU> was trading at 328.8 yen per kg as of 0034 GMT, down 4.5 yen, or 1.4 percent, from the previous close.

* On Monday, the contract rose as far as 337.4 yen, the highest for any benchmark since late March, helped by a fall in the yen. A weaker yen against the U.S. dollar in theory inflates yen-denominated TOCOM prices as rubber is traded in dollars in producing countries.

* Nissan Motor Co Ltd and other Japanese carmakers saw their China car sales improve in January, but figures were skewed due to weak holiday-hit sales a year earlier and questions still hang over progress made since anti-Japan protests last year.

* Global consumer confidence dipped at the end of last year, a survey showed on Monday, and more than 60 percent of respondents said the next 12 months would not be a good time to spend.

MARKET NEWS

* Japan's Nikkei share average dropped at Tuesday's open as renewed fears about the debt crisis in peripheral euro zone countries prompted investors to lock in profits following five straight days of gains.

* The dollar stood at around 92.30 yen, having touched a fresh 2-1/2 year high near 93.19.

* Oil future prices dropped alongside equities on Monday as traders took profits after three weeks of gains.

DATA EVENTS* The following data is expected on Tuesday: (Time in GMT)0145 China HSBC Services PMI0330 Australia RBA cash rate0848 France Markit Services PMI0853 Germany Markit Services PMI0858 Euro zone Markit Services PMI1000 Euro zone Retail sales1245 U.S. ICSC weekly chain store sales1355 U.S. Redbook weekly retail sales1500 U.S. ISM Non-manufacturing PMI1500 U.S. IBD economic optimism index2130 U.S. API weekly crude stocks(Reporting by Risa Maeda; Editing by Joseph Radford)