

Tokyo rubber futures fall to 2-mth low after Italy election (Feb. 26)

TOKYO, Feb 26 (Reuters) – Key TOCOM rubber futures fell almost 3 percent on Tuesday to a two-month low after inconclusive election results in Italy awakened fears the Euro zone crisis will rear its head again.

FUNDAMENTALS* The newly-listed August contract was changing hands 7.6 yen, or 2.5 percent, lower at 290.9 yen per kg as of 0105 GMT. The contract fell to as low as 289.7 yen, the lowest level since Dec. 25.* A huge protest vote by Italians enraged by economic hardship and political corruption left the euro zone's third-largest economy facing a dangerous vacuum after an election on Monday in which no group won enough votes to form a government.

MARKET NEWS* The euro crouched near a six-week low against the dollar while the yen kept some distance from multi-month lows on Tuesday after the spectre of political gridlock in Italy spurred traders to seek refuge in the U.S. and Japanese currencies.* Japan's Nikkei share average fell sharply at the open on Tuesday, retreating from a 53-month high as the yen strengthened on the uncertainty following the Italian elections, with shares of some big exporters to Europe tumbling.* U.S. stocks on Monday suffered their biggest drop since November after the strong showing in Italy's elections by groups opposed to the country's economic reforms.

DATA EVENTS* The following data is expected on Tuesday: (Time in GMT)

1245 U.S. ICSC weekly chain store sales	1400 U.S. CaseShiller housing index	1400 U.S. FHFA home price index	1500 U.S. New home sales
1500 U.S. Consumer confidence	1500 U.S. Richmond Fed composite index	1500 Federal Reserve Chairman Bernanke delivers semi-annual testimony to U.S. Senate Banking Committee	2130 U.S. API weekly crude stocks

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