

Tokyo futures drop 2 pct after ECB disappoints (Aug 3)

TOKYO, Aug 3 (Reuters) – Key TOCOM rubber futures fell around 2 percent early on Friday after the European Central bank disappointed markets looking for imminent measures to boost economic growth and tackle the euro zone debt crisis.

FUNDAMENTALS

- * The key Tokyo Commodity Exchange rubber contract for January delivery was down 4.2 yen, or 1.8 percent, at 226.8 yen per kg as of 0045 GMT. The benchmark contract fell as low as 225.8 yen.
- * After keeping interest rates at a record low, the ECB indicated it may resume buying government bonds to drive down surging Spanish and Italian borrowing costs, but passed the baton back to euro zone governments by saying they must act first.
- * Expectations for bold actions had run high after ECB President Mario Draghi last week vowed to do whatever it takes to preserve the euro.

MARKET NEWS

- * U.S. crude prices edged up towards \$88 a barrel on Friday, supported by an expected cut in oil output in the North Sea and falling U.S. gasoline stocks.
- * Japan's Nikkei share average shed 1.3 percent in early trade on Friday.

DATA EVENTS

- * The following data is expected on Friday:
 - 0758 EZ Markit Services PMI Jul
 - 0900 EZ Retail sales Jun
 - 1230 US Non-farm payrolls Jul
 - 1400 US ISM non-manufacturing index Jul
 - 1930 US CFTC commitment of traders data Weekly

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