

## Tokyo rubber futures fall as demand optimism wanes (Mar. 26)

TOKYO, March 26 (Reuters) – Key TOCOM rubber futures fell slightly on Tuesday as investors turned cautious on the outlook for global demand amid fears that future bank rescues in the euro zone would come with the same stern conditions seen in a bailout deal for Cyprus.

**FUNDAMENTALS\*** The benchmark Tokyo Commodity Exchange rubber contract for September delivery started trading on Monday. It was trading at 279.2 yen per kg as of 0016 GMT after opening at 279.5 yen.\* The most active August contract traded 1.2 percent lower at 276.1 yen.\* The TOCOM market touched a three-month low of 269.5 yen on March 18.\* On Monday, the nearby March contract expired at 263.1 yen, with deliveries totalling 406 lots of 5 tonnes each.\* The euro nursed heavy losses early in Asia on Tuesday, having suffered a steep drop across the board after the head of the Eurogroup said a bailout plan for Cyprus will serve as a model for dealing with future banking crises.\* Japan and the European Union agreed on Monday to launch talks on one of the world's most ambitious trade deals despite opposition from European carmakers, a test of how far both sides are willing to go in their hunt for economic growth.\* China's yuan hit a record high on Monday after the central bank set a firmer midpoint in response to hopes that Cyprus would avoid a banking crisis, but traders remained cautious about betting on further appreciation.

**MARKET NEWS\*** Japan's Nikkei average dropped 0.6 percent in early Tuesday trade.\* U.S. crude futures were steady below \$95 a barrel on Tuesday after gaining 1.2 percent a day earlier.\* The dollar stood at around 94 yen in early Tuesday trade, off a recent low of around 93.50 yen marked on Monday.

**DATA EVENTS\*** The following data is expected on Tuesday: (Time in GMT)0745 France Consumer confidence1145 U.S. ICSC weekly chain store sales1230 U.S. Durable goods orders1300 U.S. CaseShiller home price index1400 U.S. New home sales1400 U.S. Consumer confidence2030 U.S. API weekly crude stocks(Reporting by Risa Maeda; Editing by Joseph Radford)Reuters