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U.S., Japan slowdown seen as negative for oil demand

* Coming Up: API U.S. petroleum inventory report; 2030

Oil snapped a five-day losing streak to rebound above $76 a barrel on Tuesday, as firmer equity markets and weaker dollar edged out concerns about the pace of global economic recovery.

U.S. crude for September delivery rose 91 cents to $76.15 a barrel by 0918 GMT, recovering from a one-month low of $74.86 a barrel hit on Monday.

The new ICE Brent crude future contract for October delivery gained $1.20 to $76.82 a barrel. The September contract expired at $74.85 on Monday. Since hitting a three-month high of almost $83 a barrel at the beginning of August, prices have declined sharply over the past two weeks, shedding more than 9 percent on doubts about the pace of the global recovery and rapidly rising U.S. fuel inventories. U.S. demand for gasoline normally peaks in the driving season from late May to early September as holidaymakers take to the roads. But stockpiles this year have increased for most of that period, bucking the normal trend. "As you approach this time in the Northern Hemisphere, the driving season is abating, so I don't see that the demand for gasoline will be heavy," said Peter McGuire, managing director at CWA Global Markets in Sydney.

Disappointing economic growth data from Japan and sluggish manufacturing numbers in the United States weighed on prices on Monday, but traders will be eyeing the latest U.S. figures on industrial production, producer prices and housing starts on Tuesday for further clues on the state of the recovery.

Forecasts ahead of weekly U.S. petroleum inventory reports are for gasoline stockpiles to have remained little changed last week when they stood close to an all time high.

The American Petroleum Institute will publish industry statistics late on Tuesday, followed by government data from the Energy Information Administration (EIA) on Wednesday.

Gasoline stockpiles were forecast to have declined by just 200,000 barrels last week, a Reuters survey showed, while supplies of distillate fuel including diesel were expected to have gained 1.3 million barrels.

Wheat up 1 percent after 5.5 percent drop to 2-week low

* Corn up half percent on lower crop ratings, soy steady

U.S. wheat futures rose nearly 1 percent on Tuesday, partly recovering after a 5.5 percent slide to a two-week low in the previous session on forecasts of rain in drought-stricken Russia.

Corn gained half a percent as the U.S. corn crop condition deteriorated, while soybeans ticked higher.

"The market is rebounding slightly, but it is not a huge move after the drop overnight," said Kaname Gokon, deputy general manager at commodities trading firm Okato Shoji in Tokyo.

"There is no change in the fundamental situation, it's a little bit of short covering." Chicago Board of Trade wheat futures plunged 5.5 percent on Monday as a forecast for rain in northern Russia gave hope for some relief from a drought that devastated Black Sea region crops and sent wheat prices skyrocketing.

The Russian weather forecasting service said rains from Monday to Wednesday are unlikely to soften crop damage but may improve conditions for winter grain sowing.

Front-month Chicago wheat is down around 20 percent from its two-year high of $8.41 on Aug. 6, but is still up nearly 60 percent from June lows.

CBOT wheat for September delivery rose 0.9 percent to $6.70 a bushel by 0340 GMT.

The market's attention is also focused on the latest tender from Egypt, which is seeking wheat for September shipment.

The Egyptian state's main wheat buying agency said it wanted to buy cargoes of 55,000 to 60,000 tonnes of hard wheat from the United States, Canada, Germany and Australia for shipment Sept. 16-30.

U.S. and European Union wheat have already seen spillover demand as shipments dwindle from Russia, which is suffering its worst drought in more than a century.

Analysts at SovEcon downgraded Russia's total grain crop to between 59.5 million and 63.5 million tonnes, down from a previous forecast of 70 million-75 million.

CBOT September corn was up 0.5 percent to $4.09-Â¼ a bushel and new-crop November soybeans rose 0.2 percent to $10.33 a bushel.

The corn market received support after the U.S. Department of Agriculture cut crop ratings. The condition of the U.S. corn crop deteriorated in the past week amid hot weather in key growing areas of the United States and severe flooding in parts of Iowa.

USDA's weekly ratings report pegged the corn crop as 69 percent good to excellent, down from 71 percent last week and below analysts' expectations of 70 percent.

The soggy western U.S. corn belt will get a break from the heavy rains this week while parched crops in the Mississippi Delta will see some light to moderate showers, a forecaster said.

Gold holds near 1½ month high

Gold erased some of its early gains on Tuesday but held near its strongest level in more than a month on worries about global economic recovery, while jewellers were also happy to cash in on the high prices.

With weak economic growth around the world igniting talk of deflation, investors are likely to chase gold, U.S. Treasury and currencies seen as safe harbour such as the yen and Swiss franc. Other precious metals tracked gold higher.

Spot gold hit an intraday high of $1,225.10 an ounce before easing to $1,223.30 by 0524 GMT, steady from New York's notional close. Gold rose as high as $1,227.15 on Monday, its highest since early July.

Dealers in Hong Kong and Singapore saw a mixture of buying from investors and selling from jewellery makers, with bullion prices already rebounding more than 5 percent since falling to a three-month low in late July.

There was light physical buying from top consumer India as demand is set to pick up for the busy festival season, starting with Raksha Bandhan on Aug. 24 and extending till Dhanteras in November, the single biggest gold-buying day.

"We can say buying from investors have pushed the market up. The economy is uncertain," said Ronald Leung, director of Lee Cheong Gold Dealers in Hong Kong.

"I think we are slightly bullish for the time being but we may see a little bit of a correction. We may slip to $1,115 and $1,120 and find support there. Selling in physicals caps the market," he added.

According to Reuters market analyst Wang Tao, spot gold may retrace to $1,211 per ounce or lower to $1,190, as a strong resistance is observed at $1,224.

Bullion struck a record around $1,264 in June on worries the euro debt crisis was spreading.

U.S. gold futures for December delivery were barely changed at $1,225.8 an ounce. The contract also rose to its highest in more than a month on Monday on weaker dollar and high degree of uncertainty about the global economic recovery.