

CLM Top Stories

HD **China** Trade Data Weakens Asian Shares

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Shanghai and **Hong Kong** led Asian stocks markets lower on Monday, as weak trade data from **China** weighed on regional sentiment, while shares in Malaysia Airlines sank after one of its planes went missing over the weekend.

Chinese exports sank 18.1% from a year earlier in February, much lower than the 5% increase that was expected by economists, and following a healthy 10.6% expansion in January. Although the sharp drop raised concerns over Asia's largest economy, distortions due to the long Lunar New Year holidays could have contributed to the surprise fall.

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"It's hard to ignore a number that looks like that," said Sean Callow, senior currency strategist at Westpac Institutional Bank in Sydney. Monday's move is "symptomatic of the mood of the market to be spooked by any poor **China** numbers and to only take moderate comfort from strong numbers."

There were additional signs that the **Chinese** economy could be running out of steam, as data showed that **Chinese** consumer prices rose by 2% year-over-year in February.

In **China**, **Hong Kong**'s Hang Seng Index lost 1.6% while the Shanghai Composite in mainland **China** was 1.7% lower.

The **Chinese** currency and **copper** prices were also hit by the trade data. The yuan fell as low as 6.1594 to the dollar early in the session, compared with Friday's close of 6.1260 in New York, and was last trading at 6.1402 per dollar.

LME three-month **copper** prices fell to their lowest levels since June in Asia, and were last trading at \$6,715.25 a metric ton, a 1% decline from Friday's closing price.

Along with weak manufacturing data so far this year, the trade figures became the latest poor economic number to come out of **China**. The resulting concerns over the economy have made **Chinese** stocks among the region's worst performers in 2014, with the Hang Seng Index down 4.3% year-to-date--second only to the Nikkei, which is 7% lower over the same period.

Elsewhere in Asia, the impact was felt most in Australia--a country with strong trade ties with **China**. In Sydney, the S&P/ASX 200 lost 0.8%. **Mining** stocks were badly hit, with Rio Tinto losing 5% and BHP Billiton 3.5% lower.

Meanwhile, South Korea's Kospi lost 0.9% and Japan's Nikkei was 0.8% lower after the country posted a fourth straight month of current-account deficit in January. The yen strengthened against the U.S. dollar and was last trading at Yen103.12 to the dollar, compared with Yen103.26 late Friday in New York.

The poor data from **China** overshadowed good economic news from the world's largest economy on Friday, after data showed that the U.S. created more jobs in February than expected by economists.

In corporate news, shares in Leighton Holdings jumped 11% higher in Sydney after Germany's Hochtief AG bid 1.2 **billion** Australian dollars to increase its controlling **stake** in Australia's largest construction **company**.

In Southeast Asia, Malaysia Airlines' share price dropped 8%, after flight MH370 went missing on early Saturday with 239 people aboard en route from Kuala Lumpur to Beijing.

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CO masys : Malaysia Airline Systems Bhd | khzinv : Khazanah Nasional Berhad

IN i75 : Airlines | iairtr : Air Transport | itsp : Transportation/Shipping

NS mcopp : Copper Markets | gaira : Airplane Accidents | m11 : Equity Markets | ncmac : Commodities Asset Class News | ncolu : Columns | neqac : Equities Asset Class News | nfxacb : Forex Asset Class Basic News | nfxacp : Forex Asset Class Premium News | nmsmc : Main Stock Market Commentary | nsmcm : Stock Market Commentary | gcat : Political/General News | gdis : Disasters/Accidents | gmmdis : Accidents/Man-made Disasters | grisk : Risk News | gtacc : Transport Accidents | m14 : Commodity Markets | m142 : Metals Markets | mcat : Commodity/Financial Market News | mnonfr : Non-ferrous Metals | ncat : Content Types | nfact : Factiva Filters | nfce : FC&E Exclusion Filter

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