

Spain Concerns Hit Asian Shares.

Asian markets fell on Thursday, as Spain's borrowing costs climbed Wednesday overnight, raising fears that the European Central Bank's bond-buying plan might not work out.

"Investors are getting nervous that the process has stalled. But things haven't fundamentally changed because at the back of all this you still have (Angela Merkel) and (Mario Draghi) pushing for the ECB to step in," said Joe Bracken, head of macro strategies at BT Investment Management in Sydney, which has 44.3 billion Australian dollars of assets under management.

Spanish 10-year government bond yields crept above 6% overnight, reviving concerns over the European debt crisis, and ensuring that the risk-off sentiment seen in recent sessions remained firmly in place. Uncertainty over the health of the Spanish economy is mounting, adding pressure to the country to make a formal request for assistance from the European Central Bank.

The euro stabilized in Asia on Thursday to \$1.2884 after falling 0.2% Wednesday overnight.

There was also some bad news from the U.S., where housing data disappointed, as new home-sales fell 0.3% in August from the previous month.

The dollar weakened against the yen, to ¥77.65 compared with ¥77.74 late Wednesday in New York, putting pressure on Japan's Nikkei Stock Average, which lost 0.3%.

Toyota Motor 7203.TO -0.48%remained under pressure, declining 0.6%, amid the continuing territorial dispute between China and Japan; while online gaming companies Gree Inc. 3632.TO -9.52%and DeNA Co. Ltd. 2432.TO -7.92%dropped 8.5% and 7.0% respectively following a Nikkei report that NTT DoCoMo 9437.TO +0.71%planned to launch social games on smartphones. NTT DoCoMo gained 0.9%.

Aozora Bank 8304.TO -7.84%sank 7.1% in Tokyo after a regulatory filing showed that major shareholder, Cerberus, is planning to sell a

chunk of its holdings once the bank's recapitalization plan is given the go ahead.

South Korea's Kospi Composite was 0.3% lower, while Australia's S&P/ASX 200 lost 0.2%.

Oil recovered slightly on Thursday, to \$90.35 a barrel, after falling below the \$90 mark Wednesday overnight for the first time since early August.