Chinese Shares Suffer Worst Day in Five Months as Exports Slump

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Global stocks slid Friday, as Chinese shares suffered their worst day since October, after weak export data and comments from the U.S. ambassador to China th imminent heightened concerns about the world economy.

The Shanghai Composite Index fell 4.4% and its smaller Shenzhen counterpart dropped 3.8%, their biggest single-day drops in five months. Elsewhere in the reg closed 2% lower, while Korea's Kospi lost 1.3%.

U.S. stock futures were lower, putting the S&P 500, Dow Jones Industrial Average and Nasdaq Composite on course for a fifth-consecutive day of declines. S&P Industrials futures fell 0.4%, while Nasdaq-100 futures slipped 0.6%.

Stocks exposed to China and global trade were likely to fall when Wall Street opens. U.S.-listed Chinese companies JD.com and Baidu were 3.2% and 2.3% low premarket trading. Nvidia was among a number of semiconductor makers to slip, while and other tech companies including Facebook and Amazon were lower.

Investors will also be scrutinizing nonfarm payrolls figures expected Friday for clues on the health of the world's largest economy.

In February, Chinese exports were down 20.7% from a year earlier, official data Friday showed -- a much steeper decline than economists had expected. Imports bigger drop than expected.

January and February data are typically distorted by weeklong Lunar New Year holidays, according to Shuang Ding, chief economist for greater China and north Chartered Bank in Hong Kong. However, the weak figures reminded investors of China's bleak macroeconomic picture, he said.

Mr. Ding said the market selloff was triggered partly by that data, as well as the European Central Bank's move and a research note from China's biggest broker sell shares in People's Insurance Company (Group) of China Ltd., one of the year's top-performing stocks. Mr. Ding said some investors saw this call, which wou official approval, as suggesting Beijing wanted to stop the stock market from overheating.

Analysts said another reason investors in China were selling was to lock in gains after the big run-up of recent weeks. Even after Friday's selloff, China's domest in 2019.

In Europe, the Stoxx Europe 600 dropped 0.8% by afternoon trade, putting it on course for a third consecutive day of declines. Losses were felt most in the index basic resources sectors, which both fell more than 2%.

Plans by the European Central Bank to deploy additional stimulus helped trigger losses overnight in U.S. and European stocks, since they suggested policy mak increasingly concerned about the slowdown across the eurozone.

The ECB said Thursday it would hold interest rates months longer than initially signaled -- at least until the end of 2019 -- and issued a new batch of cheap long- starting in September. The central bank also slashed its forecast for gross domestic product growth for 2019 to 1.1% from 1.7% in December and cut its inflation

Despite the concerned response from markets, some welcomed the actions taken by ECB President Mario Draghi as necessary to guard against a worsening of

"It seems like Draghi, at least, wanted to be seen as decisive. Now is better to act, sooner, pre-emptive, rather than later," said Geoffrey Yu, head of the U.K. inve Wealth Management.

While the ECB's moves showed they were concerned about the slowdown, their actions should be read as vigilance, rather than anxiety, he added. "They are er caution."

Jim Reid, an analyst at Deutsche Bank, said in a note that markets interpreted the ECB's stimulus measures as "nowhere near substantial enough," considering of growth forecasts.

Investors in Europe were eyeing poor data from Germany that showed the nation's manufacturing orders plunged 2.6% in January from December, missing econ 0.5%.

Wall Street closed lower Thursday as growth worries and lingering questions over the U.S.-China trade dispute weighed on sentiment. The Dow and S&P 500 bo

European investors were taking the cocktail of bad news as a cue to move back into the safety of government bonds, as the yield on German bunds fell to 0.058 benchmark 10-year Treasury note inched up to 2.638% Friday from 2.637% late Thursday, according to Tradeweb. Yields move inversely to prices.

Oil futures also fell sharply with Brent crude, the global benchmark, down 1.6% at $65.23 a barrel. Gold rose 0.6% to $1,294 an ounce.

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