ASIA MARKETS  
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SINGAPORE—Asian stock markets were solidly higher Tuesday, recouping some of their recent heavy losses on signs European policy makers were making progress to stabilize the region’s debt crisis.

The London Metal Exchange three-month copper contract rose more than 2%, while most Southeast Asian bourses—among the hardest-hit in recent weeks as foreign funds pulled out amid global growth worries—also rebounded after Wall Street’s strong performance Monday.

The Thai market, which plunged 9.4% Monday before closing down 5.7%, continued to struggle and was up a modest 1.1%; Indonesia’s stocks rose 4.4% after falling to one-year lows the previous session.

"If Europe sorts out its fiscal problems soon, there is still time for markets to recover fast enough to prevent major economic damage to emerging economies," Sebastien Barbe, strategist at Credit Agricole, wrote in a note to clients. "However, if the crisis drags on for several more months, significant impact on economic activity and further losses in asset prices are likely," he added.

Japan’s Nikkei Stock Average advanced 1.7%, Australia’s S&P/ASX 200 gained 2.7%, South Korea’s Kospi Composite climbed 3.7%, Hong Kong’s Hang Seng Index rose 2.4% and China’s Shanghai Composite Index was up 0.3%.

Dow Jones Industrial Average futures rose 26 points in screen trade.

The euro was steady on news European policy makers were putting together a plan to stabilize the region's debt crisis.

European Central Bank executive board member Lorenzo Bini Smaghi said at a conference in New York on Monday that euro-zone policy makers are already looking at ways to increase the capabilities of the European Financial Stability Facility, to quell market fears of contagion within the bloc.

Mr. Bini Smaghi said increasing the financial firepower of the EFSF along the lines of schemes used in the U.S. during the 2008 financial meltdown was already being examined.

However, there was still skepticism among traders that Europe will be able to find a permanent fix for its problems. "While we may see some positive headlines from Europe in the week ahead, the general sense of impending doom will likely remain the primary theme as European leaders struggle to build a consensus on the right course of action to avoid a full scale crisis," said Chris Gore, currency analyst at GOMarkets in Melbourne.

The single currency was fetching $1.3529 from $1.3528 late Monday in New York, and ¥103.29 from ¥103.32. The dollar was at ¥76.35 from ¥76.35.

Buyers across the region targeted recently beaten-down cyclical and financial stocks; Toshiba was up 3.3% and Sony rose 2.5% in Tokyo, while Samsung Electronics added 2.8% in Seoul, and in Hong Kong, Cnooc jumped 6.4% and HSBC added 2.3%.

Australia’s Westpac Banking Corp climbed 4%, and BHP Billiton gained 2.9%,
Spot gold was recently at $1,637.10 per troy ounce, up $9.10 from New York Monday.

November Nymex crude oil futures were up $1.38 at $81.62 per barrel on Globex.

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