Asian Shares Mixed in Choppy Trade

By SHRI NAVARATNAM And WEI-ZHE TAN

SINGAPORE—Asian stock markets were mixed in choppy trade Friday as many investors took to the sidelines ahead of crucial jobs data from the U.S. later in the global day, with Seoul and Tokyo stocks undermined by largely weaker earnings.

The regional mood was subdued after an uninspiring lead from Wall Street on Thursday and protracted Greek debt write-off talks.

The January U.S. payrolls report was the main focus for markets as investors digested a batch of earnings releases in the region that largely underscored a difficult global growth outlook.

"A weak read [for U.S. jobs] will probably be interpreted as an indication that QE3 is needed to help the recovery. This, as we already saw earlier this week, is positive for risk assets and negative for the U.S. dollar," said Stan Shamu, strategist at IG Markets in Melbourne in a note. "On the other hand a stronger-than-anticipated read could be interpreted as a good indicator that the global economy is on track for a recovery. This would aid risk assets and reduce the need for safety," he said.

Japan's Nikkei Stock Average eased 0.3%, Australia's S&P/ASX 200 fell 0.3%, South Korea's Kospi Composite fell 0.9%, China's Shanghai Composite Index was flat, Hong Kong's Hang Seng Index was flat and India's Sensex was flat.

Dow Jones Industrial Average futures were down 11 points in screen trade.

The earnings season continued to affect regional sentiment, with many companies posting weaker results and painting a dour outlook amid slowing global growth.

In Tokyo, trading remained tentative with earnings holding sway. Yamaha Corp., which slashed its full year operating profit outlook, lost 6.7%. Nippon Sheet Glass tumbled 10% after a fiscal year profit warning, while Softbank lost 3.5% after its third-quarter net profit halved on year.

On the flip side, Sony shares jumped 7.5% despite the electronics conglomerate slipping to a third quarter loss and downgrading its full year forecast, as hopes of a turnaround in fortunes under newly-appointed chief executive Kazuo Hirai buoyed sentiment. Hitachi rallied 7.2% after the firm maintained its current fiscal year guidance.

In Seoul, shipbuilders lost ground and weighed the market on poor earnings for Samsung Heavy Industries and Hyundai Heavy Industries -- the world's two biggest shipbuilders by sales. Samsung Heavy fell 3.1% and Hyundai Heavy tumbled 7.1%.

The Sydney market struggled for traction as resources and mining stocks were mixed with Rio Tinto down 0.6% and Fortescue Metals up 1.3%.

Shares in Shanghai took a breather after rising over 2.1% Thursday. Coal mining stocks weighed on the market on the back of Thursday's weaker oil prices. China Coal Energy fell 0.9% while China Shenhua Energy slipped 0.3%.

In foreign exchange markets, currency majors traded in tight ranges ahead of the U.S. jobs data, while the euro was lower as investors waited for the still-elusive Greek debt restructuring deal.
"The euro has enjoyed short stays above $1.32 in the last week but for the most part its home has been in the $1.3080 to $1.3181 range," said Tim Waterer, senior currency dealer at CMC Markets in Sydney in a note. "The currency may be poised for a push beyond $1.3250 if the Greece debt-deal gets penned before market patience wears thin," he said.

The single currency was fetching $1.3129 against the U.S. dollar, from $1.3144 late Thursday in New York, and ¥100.03 against the yen, from ¥100.20. The dollar was at ¥76.18, compared with ¥76.21.

Spot gold was at $1,756.30 per troy ounce, down $2.10 from its New York settlement on Thursday. March Nymex crude oil futures were up three cents at $96.39 per barrel on Globex.

Write to Shri Navaratnam at shri.navaratnam@dowjones.com