In the Markets

Dow Loses 200 Points

A sell-off got underway in Asia after the Dow Jones Industrial Average on Tuesday suffered its biggest loss for the year, falling 1.6% on worries global growth may be stalling following recent indications of weaker growth out of China, Europe and Brazil. Investors also weighed Greece's chances of getting private creditors to accept its debt-swap proposal. Thursday's deadline looms, and a low level of participation could reignite fears of a chaotic default.

"The fact that many key risk metrics had been testing highs not seen since the pre-Lehmann days seems to have added to the overall nervousness and selling," said Stewart Hall, senior currency strategist at Royal Bank of Canada in a note.

Japan's Nikkei Stock Average, South Korea's Kospi Composite and Hong Kong's Hang Seng Index were all 0.8% lower. Australia's S&P/ASX 200 was down 1.1% and India's Sensex was off 0.7%. China's Shanghai Composite was nearly unchanged.

Dow Jones Industrial Average futures were up 27 points in electronic trading.

Energy and resources plays lost ground across the region as investors turned jittery over the prospect of weakening economic growth world-wide.

Newcrest Mining was off 2.8% and Oil Search was down 1.4% in Sydney, while Sumitomo Metal Mining was 1.2% lower and Inpex was down 1.3% in Tokyo. In Seoul, Posco was 1.5% lower and SK Innovation was off 2%, while Cnooc was 2.2% lower in Hong Kong.

Exporters also succumbed to selling pressure as investors worried that much of export-dependent Asia would be hobbled by slackening global demand. Samsung Electronics was down 0.7% and Hyundai Motor was off 1.4% in Seoul, while Toyota Motor was 1.7% lower and Nintendo was down 1.1% in Tokyo.

Renewed concerns over the plight of Greece were hard on financial stocks: ANZ Bank was down 1% in Sydney and Mitsubishi UFJ Financial was 1.5% lower in Tokyo. In Seoul, Hana Financial was off 1.5% and Shinhan Financial was down 2.1%, while ICBC was 1.3% lower in Hong Kong and UOB was off 1% in Singapore.

On the bright side, airline shares outperformed across the region after the U.S. oil benchmark tumbled nearly 2% Tuesday in New York. China Airlines was 2.1% higher in Taipei, Air China was up 1.2% in Hong Kong and Korean Air was 1.7% ahead in Seoul.

April Nymex crude oil futures staged a modest rebound in Asian trade, rising 53 cents to $105.23 per barrel on Globex.

The euro edged higher against the U.S. dollar on bargain-buying after Tuesday's losses, but traders remained cautious ahead of Greece's bond swap. The nation's private sector creditors have until March 8 to decide whether to take a 53.5% write down of their existing Greek holdings in exchange for new bonds.
It’s "another week, another hurdle for the euro zone," said Christopher Gore, currency analyst at GO Markets in a note. "Passing of these private sector write-downs is a critical component needed to secure the €130 billion ($171 billion) bailout [fund] in order to avoid a hard default scenario with maturing debts due on March 20."

The single currency was at $1.3137, from $1.3112 late Tuesday in New York, and at ¥106.05, from ¥106.08. The dollar was at ¥80.73 from ¥80.88.

Spot gold was at $1,677.10 per troy ounce, up $2.50 from its New York settlement on Tuesday.