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DJIA Futures **22925** -0.31% ▼

Stoxx 600 **335.93** -0.19% ▼

U.S. 10 Yr **4/32 Yield** 2.794% ▲

Crude Oil **45.26** -1.35% ▼

Euro **1.1412** -0.31% ▼

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U.S. MARKETS

Global Stocks Extend Declines Amid U.S. Budget Standoff

Brent crude oil edged up, but was still 30% below this year's high

By Joanne Chiu and Avantika Chilkoti

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Global stocks continued to fall Friday, amid fears of a U.S. government shutdown and unease over the resilience of the global economy.

The Stoxx Europe 600 was down 0.7% after U.S. stocks closed sharply lower, with the Nasdaq on the brink of a bear market.

In Asia, the Nikkei Stock Average closed 1.1% lower at a fresh 15-month low, and China's Shanghai Composite Index was down 0.8%.

Markets have slumped this week amid rising concerns that the U.S. is set for a partial government shutdown as President Trump and House Republicans demand funding for a border wall with Mexico in any year-end spending bill.

Also weighing on investor sentiment was the U.S. central bank's decision to stick by its plans and raise rates Wednesday, despite Mr. Trump's calls for a pause on tightening policy.

In the U.S., futures pointed to opening losses of 0.7% for the S&P 500 and 0.6% for the Dow Jones Industrial Average on Friday.

A prolonged bull market in equities has been propped up by years of loose monetary policy, and by major central banks' bond-buying programs, known as "quantitative easing," in particular.

But markets have tanked in the last quarter of this year as the Federal Reserve reduced its balance sheet, and while political tensions emerged in U.S. relations with both Saudi Arabia and China.

"It's a longstanding problem that equities basically are crumbling, the triggers are many and varied," said Peter Dixon, an economist at Commerzbank, pointing to trade tensions between China and the U.S., as well as the inflated valuations of some stocks.

"There are clear signals that, geopolitically, all is not well and that is forcing investors to look at things like valuations, which are clearly out of line," he said.

The 10-year U.S. Treasury yield ticked up to 2.792%, compared with 2.787% on Thursday. Yields move inversely to prices.

The WSJ Dollar Index, which tracks the dollar against a basket of 16 currencies, was broadly flat.

In Asia, Japan led regional losses, with its export-reliant companies among the biggest decliners after the yen strengthened overnight. Toyota Motor Corp. fell 3.2%, while rival Nissan Motor Co. fell 2.1% to a more-than-four-year low after former Chairman Carlos Ghosn was rearrested on suspicion of shifting personal losses to the car maker.



Japan's Nikkei Stock Average fell to a 15-month low Friday. PHOTO: SHIZUO KAMBAYASHI/ASSOCIATED PRESS

In Australia, the S&P/ASX 200 closed 0.7% lower, putting the benchmark on course for a fourth-straight monthly loss, fueled partly by weakness in financial stocks.

Brent crude oil edged up 0.3% to \$54.51 a barrel, but was still more than 30% below this year's high in October.

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