

## U.S. MARKETS

# Stocks Slide as Virus Cases Accelerate Outside of Asia

Indexes fall sharply in Europe after steep declines across Asia

*By Chong Koh Ping*

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Global stocks fell as investors grappled with the potential economic fallout from mounting coronavirus infections in South Korea and other countries outside China.

In South Korea, which reported its seventh death from the coronavirus, the benchmark Korea Composite Stock Price Index tumbled 3.9% on Monday. That was the Kospi's biggest one-day fall since 2018, according to FactSet.

U.S. S&P 500 futures dropped 1.6%, pointing to another likely decline for that index, which slid 1.1% on Friday.

Stocks in Europe opened sharply lower, with the Stoxx Europe 600 index down 2.7%. In Italy, which is grappling with the biggest coronavirus outbreak outside Asia, the FTSE MIB was down 4.3%. Germany's DAX, the benchmark for the region's industrial powerhouse, was 2.9% lower.

South Korea on Sunday raised its infectious-disease alert to red—the highest level—for the first time since the H1N1 swine flu outbreak in 2009. Coronavirus infections jumped over the weekend, and confirmed cases now stand at 763—more than half in the southwestern city of Daegu.



Disinfectant sprayers at a market in Seoul on Monday.

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“This could serve as a ‘wake-up’ call for Japan and other Asian economies, which are vulnerable against the impact of the virus,” said CMC Markets analyst Margaret Yang. “This will also put the hosting of Tokyo Summer Olympic Games under scrutiny, as Japan now has the highest number of infections outside of China alongside an aging population.”

South Korean tech giant Samsung Electronics lost 4.1% and auto maker Hyundai Motors shed 4.3%. Elsewhere in Asia, stock benchmarks in Hong Kong and Singapore fell 1.8% and 1.2%, respectively. The Shanghai Composite in China dipped 0.3%.

In Australia the S&P/ASX 200 index declined 2.3%. Markets in Japan were closed Monday.

Brent crude futures, the global oil benchmark, were down 3.2% at \$56.06. Oil prices have declined in recent weeks on investors’ concerns over the viral outbreak’s impact on demand for crude.

Haven gold jumped 1.6% to more than \$1,670 an ounce on Monday, its highest in seven years. Increased demand for U.S. Treasuries pushed yields, which move inversely to prices, on the 10-year note down 0.05 percentage point to 1.42%.

“The rally of haven assets such as gold reflects surging demand for safety during a time of uncertainty. Things will probably get worse before it gets better,” said Ms. Yang.

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