

Asian shares skid to three-year lows as Glencore rout widens

The plummeting share price of commodity trader Glencore drags down Asia-Pacific stock markets

f

7

t

p

0

in

1

s

8

✉

Email



Japan's Nikkei closed down 4.1pc

By Agency

7:37AM BST 29 Sep 2015

Asian shares skidded to three-and-a-half year lows, pulled down by sharp losses on Wall Street after weak Chinese data rekindled worries about its fragile economy.

Commodities struggled after fears of **weaker demand** pushed them to multi-year lows overnight.

Adding to the gloom, commodity trader Glencore's Hong Kong-listed shares were around 28pc lower, after its **London-listed stock plunged on debt worries**.

European markets aren't expected to be spared the selloff either. Financial spreadbetters are predicting Britain's FTSE 100 would open down by as much as 0.8pc, Germany's DAX 0.6pc, and France's CACM 40 1pc.

"Investors are worried about a sharp slowdown in China... but the biggest risk is a global recession, not just a China issue," said Steven Leung, a director at UOB Kay Hian in Hong Kong.

"If you look at Japan... its economy is in bad shape. And the economic situation is not good in Europe, either."

MSCI's broadest index of Asia-Pacific shares outside Japan slumped 2.3pc, touching its lowest levels since June 2012 and extending early declines after Chinese shares opened lower.

China's blue-chip CSI300 index and the Shanghai Composite Index were down 2pc and 1.9pc respectively in afternoon trading.

Japan's Nikkei stock index tumbled to 8-months, ending down 4.1pc.

"There is a lot of red in Asian equity markets at the moment," said Martin King, co-managing director at Tyton Capital Advisors.

"Disappointing industrial profits in China continue to bolster concerns about growth and many investors are taking profits from the Nikkei and sitting in cash and alternatives, or repatriating capital to western markets in a perceived flight to quality."



Glencore shares have taken a pounding

Chinese industrial companies' profits fell at their fastest rate in four years, official data showed on Monday, sparking fresh fears about the strength of that country's economy ahead of the final reading of China's Caixin Purchasing Managers' Index on Thursday.

On Wall Street overnight, major indexes all closed sharply down. The S&P 500 index hit a one-month low on bullish US consumer spending data in August as it raised concerns the Federal Reserve could hike rates at a time of slackening global growth.

The Fed **held off from raising interest rates at its meeting earlier this month**, citing worries about the global economy, particularly China.

But New York Fed President William Dudley said the central bank remains on track for a **likely rate hike this year** and could move as soon as next month.

John Williams, head of the San Francisco Fed, also signalled support for an interest rate hike this year, though Chicago Fed chief Charles Evans sounded a far more dovish tone.

US non-farm payrolls on Friday could add more clarity to the timing of a US policy move, and prop up the sagging greenback.

Telegraph Investor»

The Telegraph

INVESTOR

TAX EFFICIENT INVESTING
ISA, JISA & SIPP

FIND OUT MORE »

Latest Finance Videos »

Financial detox: tips for saving on shopping

How to save money on your house and bills

Louis Saha: 'A British bank lost me a six-figure sum. I'm suing'

More From The Web

More From The Web

More From The Web

Promoted stories

Recommended by Outbrain

The Telegraph

f

Like Page

3M

likes

