

## **Emerging stocks fall for second day on China, RM weakens**

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Emerging-market stocks fell, led by the biggest tumble in Chinese shares since June, as weaker-than-estimated trade data spurred concern the world's second-largest economy is slowing. Malaysia's ringgit led developing-nation currencies lower.

Industrial & Commercial Bank of China Ltd paced a 2.9% slump in the Shanghai Composite Index. The yuan weakened versus the dollar after the nation's central bank cut its reference rate by the most since July 2012. The ringgit slid the most since September, while South Korea's won, Turkey's lira and South Africa's rand lost at least 0.3%. Malaysian Airline System Bhd sank 4% after one of its planes disappeared with 239 people on board.

The MSCI Emerging Markets Index slid 1% to 956.93 as of 4:16pm in Hong Kong, poised for the steepest loss in a week. Data on March 8, 2014 showed Chinese exports declined the most since 2009 last month, highlighting the challenges for premier Li Keqiang in achieving this year's economic-growth target of 7.5%. Li announced the goal last week at the opening of the annual meeting of the NPC, a pace unchanged from last year.

"The Chinese data raised concerns about the outlook of its economy," Akbar Syarief, a fund manager at PT MNC Asset Management, said by phone today. "Many Asian countries export to China, so any slowdown there could affect them negatively."

The MSCI Emerging Markets Index has fallen 4.6% this year, and trades at 10.1 times projected 12-month earnings, according to data compiled by Bloomberg. The MSCI World Index has risen 1.1% and is valued at 14.9 times.

### **Chinese Exports**

China's overseas shipments unexpectedly declined 18.1% in February from a year earlier, customs data showed March 8, 2014, compared with analysts' median estimate for a 7.5% increase.

The Shanghai Composite Index slid the most since June 24, 2013. Industrial & Commercial Bank of China, or ICBC, China's largest lender, fell 2.1% to the lowest close since November 2006. The CSI 300 Index, a gauge of China's largest stocks, tumbled 3.3% to the lowest level since February 2009.

The Hang Seng China Enterprises Index of mainland companies listed in Hong Kong retreated 1.8%. Jiangxi Copper Co. dropped 3.3% to the lowest close since July 10, 2013, as prices of the metal tumbled. China Resources Cement Holdings Ltd slumped 5.3% after earnings trailed estimates.

The yuan sank as much as 0.5%, which would be the steepest decline on a closing basis since December 2008, before paring its drop to 0.2%. The People's Bank of China lowered the daily reference rate by 0.18% to 6.1312 per dollar today, the weakest since Dec 3, 2013.

## **Samsung Drops**

All 10 industry groups in the developing-nation measure fell today, led by technology and telecommunications companies. Samsung Electronics Co retreated 1.4%, dragging South Korea's Kospi index to the steepest loss in a month. Lotte Chemical Corp tumbled 6.2% in Seoul after Hyundai Securities Co cut its price forecast for the stock to 255,000 won from 280,000 won.

Malaysian Airline headed for a record low after the national carrier's Flight 370 disappeared en route from Kuala Lumpur to Beijing two days ago.

Investigators from nine countries are struggling to solve the mystery of the missing Malaysian jet, as Vietnamese forces today failed to find the airplane debris they had spotted yesterday off the country's southern coast.

The prospect of terrorism arose after Austria and Italy said passports used by two male passengers were stolen from their citizens. The FTSE Bursa Malaysia KLCI Index lost 0.5%, poised for the lowest close since Feb 26, 2014.

The ringgit retreated 0.8%, on course for the biggest decline since Sept 30, 2013. Thailand's SET Index lost 1.2%, while the S&P BSE Sensex index of Indian shares added 0.1%, its fifth day of gains. The won sank the most since Feb 20, 2014, while the baht weakened 0.3%. Indonesia's rupiah strengthened 0.5% to the strongest level since Nov 4, 2013.

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