

Equities sag on disappointing China trade data, Ukraine crisis
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Asian stocks slipped in early trade today and the dollar stepped back from its recent highs as disappointing Chinese trade data and uncertainty over the crisis in Ukraine kept risk appetite in check.

MSCI's broadest index of Asia-Pacific shares outside Japan lost 0.2%, and Australian shares shed 0.5%.

US stock futures fell 0.2% from their record closing high yesterday.

The euro remained near recent highs, with bulls still heartened by the European Central Bank's reluctance last week to take further policy action.

Investors greeted the new week in Asia on a cautious note after data released on Saturday showed China's exports unexpectedly tumbled in February, swinging the trade balance into deficit and adding to fears of a slowdown in the world's second-largest economy.

The soft Chinese data put a damper on risk sentiment, which had been temporarily boosted by stronger than expected US nonfarm payrolls released on Friday showing employers had added 175,000 jobs to their payrolls last month, up from 129,000 new positions in January.

"While non-farm payrolls surprised significantly to the upside on Friday, disappointing China data, escalating Russia/Ukraine concerns and the missing Malaysian aircraft have all contributed to a sombre mood," IG market strategist Stan Shamu wrote in a note to clients.

Russian forces tightened their grip on Crimea by seizing another border post and a military airfield, fanning tensions ahead of a planned Moscow-backed referendum on Sunday on whether the Black Sea peninsula should join Russia.

Diplomatic efforts to cool the crisis in Ukraine calmed markets toward the end of last week, but rising tensions over Russia's intervention in Crimea have kept investors on edge.

Meanwhile, a Malaysia Airlines flight with 239 people on board vanished enroute to Beijing from Kuala Lumpur in the early hours of Saturday.

The US dollar index, a composite of six currency pairs dipped 0.1% to 79.682 after touching a high of 79.847 on Friday after the US jobs data.

Against the safe haven yen the dollar stood at 103.235 (RM3.26), pulling away from a six-week high of 103.77 hit on Friday.

The euro traded at US\$1.3880 (RM4.52), within striking distance of a 2-1/2 year peak of US\$1.3915 reached on Friday.

The Australian dollar, usually used as a liquid proxy for China plays, fell in the wake of the soft Chinese data. It dropped to US\$0.9060 from US\$0.9065 late on Friday. – Reuters, March 10, 2014.

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