

Asia Stocks Lower as Italy's Woes Continue

Time.com

November 15, 2011

By [AP](#)

(BANGKOK) — Asian stocks fell in early trading Wednesday, as strong economic data out of the U.S. failed to quell worries about Europe's festering debt crisis.

Japan's Nikkei 225 index lost 0.1 percent to 8,529.98. Hong Kong's Hang Seng lost 1.6 percent at 19,040.65 and South Korea's Kospi fell 0.2 percent to 1,882.14. [\(See more on the Euro crisis' implications for the U.S.\)](#)

Stocks in Asia failed to retain the momentum on Wall Street, where a session of strong swings ended with modest gains. The Dow rose 0.1 percent to 12,096.16. The S&P 500 gained 0.5 percent to 1,257.81, and the Nasdaq added 1.1 percent to 2,686.20.

Data on retail sales showed Americans spending more on autos, electronics and building supplies in October — the fifth straight month of increases.

Sales increased 0.5 percent from the previous month, a faster rate than economists expected and the latest indication that the U.S. economy is likely to avoid another recession.

But Europe's debt woes continued to weigh on markets. Higher interest rates on government debt issued by Italy, Spain and other countries rattled European stock markets Tuesday. The interest rate on Italy's 10-year bond jumped back above 7 percent, a dangerously high level. [\(See more on oversight of big banks\)](#)

When that rate crossed the 7 percent threshold last week, it raised worries about Italy's ability to manage its debts. Greece, Ireland and Portugal had to get rescued by international lenders when their borrowing rates crossed the same level.

Many economists think the eurozone economy could head back into recession over the coming months.

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