

Asian Stocks Close Mostly Higher

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Author: [Fio Steckler](#)

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Eagle River, WI 10/12/2011 ([PennyPayDay](#)) – Asian stocks erased early declines to finish mostly higher on Wednesday as Beijing's gesture to support the market and optimism over corporate earnings helped more than offset Alcoa's disappointing third-quarter earnings and worries over Europe's debt crisis.

The Slovakian parliament rejected a bill Tuesday that would have strengthened the powers of a regional rescue fund to help bail out the troubled euro-zone member, dragging down commodities and equities in early Asian trading. The dollar and yen gained ground against major counterparts after the U.S. Senate voted 63-35 to pass a bill that would penalize China for alleged currency manipulation widely blamed for costing American jobs.

In another widely expected move, President Obama's \$447 billion jobs bill failed in its first legislative test as the Senate failed to muster the 60 votes needed to bring the bill to a vote.

Tokyo stocks fell, snapping a three-day winning streak, as a disappointing third-quarter report from U.S. aluminum producer Alcoa and political wrangling in the Slovak ruling coalition on expanding Europe's bailout fund made investors cautious about the world economy. A surprise rate cut by Indonesia's central bank on Tuesday also underscored the downside risks facing the global economy. The Nikkei average shed 0.4 percent, while the broader Topix index eased a modest 0.2 percent.

Shares of Japanese exporters linked to Thailand fell after some of them suspended operations due to floods in Thailand. Auto maker Honda Motor fell 2.2 percent and camera maker Nikon tumbled 3.5 percent. Casualty insurer Tokio Marine Holdings declined 2 percent and T&D Holdings ended down 1.4 percent.

Komatsu, the maker of construction and mining equipment, climbed 3.5 percent after data showed core machine orders in Japan surged a seasonally adjusted 11.0 percent in August compared to the previous month. Rising for the third time in four months, the headline figure was well above analyst expectations for a gain of 3.9 percent following the 8.2 percent plunge in July. Shipping firm Nippon Yusen jumped 5.2 percent and Mitsui OSK lines soared 6.4 percent, benefiting from the machinery orders data released before the market open.

China's Shanghai Composite index climbed 3 percent, its biggest single day gain since the start of the year, as

financials and property developers rallied on speculation of more financial support from the government to shore up the bearish market. Hong Kong's Hang Seng index added a percent, with financial stocks leading the gainers on talk of China's sovereign wealth fund increasing its stakes in banking shares on the mainland market.

The Australian market fell for the first time in six sessions, as investors reacted to mixed leads from global markets awaiting clarity on the latest plans to tackle the European debt crisis. The benchmark S&P/ASX 200 lost 0.6 percent, with resources and energy stocks pacing the declines. BHP Billiton and Rio Tinto finished down about 0.8 percent each, while Woodside Petroleum eased 0.7 percent and Santos fell 1.3 percent. The broader All Ordinaries shed half a percent. The major banks closed mostly lower, with Commonwealth bucking the trend to close 0.4 percent higher.

Economic data released today showed that Australia's leading indicator of employment rose for the first time in six months in October. The leading indicator was at 0.026 compared to -0.019 in September. However, the Department of Education, Employment and Workplace Relations said it is too early to confirm that a quickening in employment growth is in prospect, because the indicator has risen for fewer than six consecutive months.

Separately, the latest survey results from Westpac Bank and the Melbourne Institute suggested that consumer sentiment in Australia improved modestly in October, with the index rising 0.4 percent to 97.2 points in the month from 96.9 in September.

The South Korean market rose for a fifth consecutive session on Wednesday, with the benchmark Kospi average closing 0.8 percent higher, led by brokerages and refiners. Brokerage Samsung Securities, which yesterday announced a rights issue worth 400.3 billion won, climbed 4.1 percent, while Woori Investment & Securities jumped 5.9 percent. GS Holdings, the holding company of No.2 refiner GS Caltex, rallied 3.1 percent, while SK Innovation and S-Oil rose around 2 percent each.

Hyundai Heavy Industries fell 1.1 percent on reports that it will invest 100 billion won to build a transformer factory in the U.S. state of Alabama from next month. LG Electronics lost 0.7 percent after the company partnered with Mobitel in launching the first 3D mobile phone in Sri Lanka.

On the economic front, South Korea and the European Union have agreed to closely cooperate in economic policies and both sides will also utilize the so-called Trade Committee as a consultation body for bilateral cooperation, the Yonhap News said, citing Seoul's trade ministry.

The New Zealand market fell the most since early August as Fletcher Building, New Zealand's largest listed company, warned of a lower first-half profit and Cavalier Corp. reported a slump in first-quarter sales. The benchmark NZX-50 index fell 2.1 percent, its biggest one-day fall since August 9, when the U.S. credit rating downgrade contributed to a global equity rout. Fletcher Building plunged 12.4 percent while shares of the carpet maker ended down 5.2 percent.

Methven, Steel & Tube Holdings, Port of Tauranga and New Zealand Refining were among the other prominent decliners, with losses ranging between 1.5 percent and 7.5 percent. Fisher & Paykel Appliances led the gainers on the exchange, rising 2.2 percent, while utility Contact Energy rose 2.1 percent, Highbrook Business Park owner Goodman Property Trust gained a percent and retailer Kathmandu Holdings closed up half a percent.

India's Sensex was last trading up 1.9 percent, with tech shares pacing the gains after IT bellwether Infosys reported second-quarter earnings that matched analyst estimates. Meanwhile, India's industrial production grew by a weaker-than-expected 4.1 percent in August from a year earlier, hit by global uncertainty and successive rate hikes, government data released today showed.

Elsewhere, Indonesia's Jakarta Composite was rallying 3 percent, Malaysia's KLSE was moving up 1.2 percent and Singapore's Straits Times rose 1.4 percent, while the Taiwan Weighted eased 0.2 percent.

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