

After record-setting plunge on Monday stock markets recover



Washington, March 10 (RHC)-- Global stock markets rebounded Tuesday from record-setting declines reported on the eve.

London opened 1.8% higher, and Frankfurt advanced 1%. China's main stock index rose 1.8%, and Tokyo closed up 0.9%.

Oil prices also recovered some of their losses in Monday's record-setting plunge.

Monday's global selloff reflected alarm over economic damage from the coronavirus that emerged in China in December. Anti-disease controls that shut down Chinese factories are spreading as the United States and European countries close schools, cancel public events, and impose travel controls.

Anxiety mounted after Italy, the hardest-hit place in Europe, said travel controls imposed earlier on its north would be extended nationwide. Ireland canceled St. Patrick's Day parades.

The mounting losses and a flight by investors into the safe haven of bonds have fueled warnings the global economy, which already was showing signs of cooling, might be headed into a recession.

The drop in U.S. stock prices was so sharp that it triggered Wall Street's first trading halt in more than two decades.

While the crisis is easing in China, where the virus was first detected, fast-growing clusters have turned up in South Korea, Japan, Iran and Italy, and the caseload is growing in the United States.

Oil prices plunged 25% on Monday after Russia refused to roll back production in response to virus-depressed demand. Saudi Arabia signaled it will ramp up its output.

Stock markets usually welcome lower energy costs for consumers and businesses. But the decline cuts into revenue for producers, including the United States. And the abrupt drop, coming amid virus fears, rattled investors.

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