

CURRENCIES TAKE A HIT

## Latin American markets plunge on US data

Latin American stock markets plunged in afternoon trade yesterday, as weak US jobs data helped push the Dow Jones industrial average down nearly 3.0 percent and worries over Europe's economic health flared further.

A US government report showed an unexpected jump in the number of people filing for jobless benefits, while a private report showed US employers had cut 33,000 jobs in August.

The Morgan Stanley Latin American stock index was down 4.8 percent at 1900 GMT.

"The US sparked a global conta-

gioussness and that's why we're seeing massive losses that don't differentiate between sectors," said Antonio Cejuelo, an analyst at Puente Hermanos brokerage in Buenos Aires.

The Brazilian Bovespa shed 3.1 percent, while Mexican stocks fell 1.5 percent and Argentina's benchmark index traded 3.4 percent lower.

Chile's blue-chip stocks .IPSA were down 1.4 percent, cushioned by better-than-expected local economic data, while the Peruvian

bourse sank 2.2 percent and Colombian shares fell 1.07 percent.

The slump also affected Europe, where the FTSEurofirst 300 ended down 2.6 percent at its lowest close since July 17, on growing worries over economic health in both the euro zone and the United States.

"The expectation of a recession in the euro zone put markets in a bad mood," José Francisco de Lima Gonçalves, chief economist at Banco Fator in Sao Paulo, wrote in a report.

Latin American currencies also took a hit as the dollar firmed globally.

The Brazilian real weakened and broke through the barrier of 1.71 per dollar for the first time since April. The Mexican peso slumped 0.98 percent.

The Colombian peso fell 1.49 percent against the dollar to reach its lowest level since December, and the Chilean peso weakened 0.35 percent.

The Argentine peso slipped a tad, sustained by heavy Central Bank intervention in the foreign exchange market.

**ARGENTINA'S BENCH-  
MARK Merval  
INDEX TRADED 3.4  
PERCENT LOWER.**

Reuters