

## Dollar mixed in Asia after Wall Street slump

Written by reporter

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The dollar was mixed in Asian trade Tuesday after an overnight plunge on Wall Street and a string of bad economic news fuelled investor fears that an end to the global recession is nowhere in sight.

The dollar was at 93.41 yen in Tokyo afternoon trade, compared with 93.21 in New York late Monday. The euro rose to 1.2640 dollars from 1.2607 and to 118.06 yen from 117.51.

The greenback had fallen sharply a day earlier after US shares tumbled on disappointing manufacturing and construction data and news that the US has been in a recession for nearly a year, dealers said.

The National Bureau of Economic Research on Monday said that US economic expansion peaked in December 2007, just months after the subprime crisis emerged during the summer.

"I have never before seen a financial system that has been in pain for so long," said Chuo Mitsui Trust Bank chief forex strategist Yosuke Hosokawa.

"Markets are wondering whether the negative situation will deepen further. My impression is that the recession will last for quite a while," he added.

Investors were keenly watching developments over the fates of the Big Three automakers -- Chrysler, General Motors and Ford -- which are to present business proposals to Congress later in the day to try to win much needed aid.

The Detroit chiefs pleaded with US lawmakers for a 25-billion-dollar bailout last month, saying that their businesses were on the verge of collapse.

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"While markets regard capital injections as necessary to take us out of this situation, players don't want money to be thrown at what looks like a bottomless pit," said Hosokawa.

Traders were anticipating big interest rate cuts by the European Central Bank and the Bank of England on Thursday to fight recession in the region.

The Bank of Japan was holding an extraordinary meeting Tuesday to consider adopting new measures to help firms borrow money amid a worsening credit crunch in Asia's largest economy.

The dollar was mixed in regional Asian trade, rising to 49.50 Philippine pesos from 48.91 on Monday, to 1.5291 Singapore dollars from 1.5223 and to 1,455 South Korean won from 1,453.

The greenback slipped to 12,260 Indonesian rupiah from 12,405, to 33.49 Taiwan dollars from 33.33 and to 35.65 Thai baht from 35.71.