

# Bulls retreat worldwide; in Russia, the bear is already back

« World Bank sees weaker prospects for global recovery

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Risk takers are having a bad case of second thoughts today, egged on by the World Bank.

Fresh doubts about the global economy are hammering stocks and commodity prices worldwide, after the World Bank [said it expected the global economy to shrink 2.9% this year](#) -- a much worse performance than the 1.7% decline the bank previously forecast.

Russia's stock market appears to have the dubious distinction of being [first to fall into a new bear market](#) since the winter dive gave way to a spring surge.

**The World Bank's downbeat tone may just be the excuse many traders and investors needed to pull back from bullish bets that had pushed share prices and commodities higher worldwide since early March. Stocks in many markets were sharply lower last week, suggesting that the spring rally had run out of gas.**



On Wall Street, the [Dow Jones industrial average](#) was off 161 points, or 1.9%, to 8,378 at about 11:30 a.m. PDT, after sliding 3% last week.

Crude oil futures were down \$2.66, or 3.8%, to \$66.89 a barrel in New York. Crude has fallen from \$71.37 on Thursday, and was at nearly \$73 a week earlier.

Copper, considered a bellwether of the global economy's health, is down 5% to \$2.15 a pound in futures trading today. The price now has tumbled 12% since June 11.

**Russia, heavily dependent on sales of natural resources including oil, is the worst performer among equity markets today. The Micex stock index in Moscow plummeted 7.8%, pushing its decline since June 1 to 22.2%.**

A drop of 20% or more is considered the threshold for a bear market, although wild volatility is nothing new in Russian stocks.

The Micex index had more than doubled between Jan. 23 and June 1, boosted in large part by the rebound in oil prices.

Among other recently hot emerging markets, Brazil's IBOV stock index is down 3.1% so far today. It has fallen nearly 9% since June 1, but still is up 32% for the year.

The [iShares MSCI Emerging Markets exchange-traded fund](#) was down \$1.03, or 3.2%, to \$30.72 at about 11:30 a.m. PDT. It's off 11% since June 1 but still up 23% this year.

-- Tom Petruno

[http://latimesblogs.latimes.com/money\\_co/2009/06/risk-takers-are-having-a-bad-case-of-second-thoughts-today--fresh-doubts-about-the-global-economy-are-hammering-stocks-and-c.html](http://latimesblogs.latimes.com/money_co/2009/06/risk-takers-are-having-a-bad-case-of-second-thoughts-today--fresh-doubts-about-the-global-economy-are-hammering-stocks-and-c.html)