

## After Facebook, Fear of Stock Market Mounts

The excitement surrounding Facebook's initial public offering was enough for Alex Tsisis, a law professor, to give the stock market one more try. But after the company's stock sputtered, he sold his few hundred shares for a \$2,200 loss and vowed to end his equity gambles for good.

"I'm just extremely skeptical about the ability of a retail purchaser to be able to play on a level field in the market," said Tsisis, 45, who lives in Chicago. "I'm just trying to get out of stocks."

Tsisis is part of a growing retreat from the stock market. The portion of Americans invested in the stock market dropped this year to its lowest level since Gallup started asking every two years in 1998 — 53 percent said they were in April, compared with a high of 67 percent in 2002. A

Bankrate poll in April found that only 17 percent of respondents were more likely to invest in the stock market.

The financial industry had hoped that Facebook would rekindle ordinary investors' excitement in stocks. Instead, first-day trading snags, a 16 percent decline in the new stock's price and suggestions that warnings were exchanged among professional investors about Facebook's prospects have stoked fears that the stock market may not be safe for everyone.

"This added gasoline to a fire that was already burning," said Craig Ferrantino, the president of Craig James Financial Services in Melville, N.Y.

Ferrantino recounted a breakfast for his clients shortly after the offering in which the biggest

topic of discussion was what the Facebook deal had revealed and the sense that "the deck is stacked against them."

Perhaps the best indicator of the movement away from stocks is an annual survey done by the Investment Company Institute, which has shown that the percentage of American households invested in domestic stocks has fallen every year since the financial crisis to a low in 2011 of 46.4 percent, down from a high of 53 percent in 2001.

"If investors lose confidence then capital formation doesn't function as well," said David Weild, the founder of Capital Markets Advisory Partners. "Have we really just throttled investors by undermining their confidence?"

NATHANIEL POPPER

## THE MARKETS

U.S. markets closed for holiday

EUROPE		
BRITAIN	GERMANY	FRANCE
FTSE 100	DAX	CAC 40
↗ 4.81 0.09%	Market holiday	↘ 4.97 0.16%
5,356.34		3,042.97

ASIA/PACIFIC		
JAPAN	HONG KONG	CHINA
NIKKEI 225	HANG SENG	SHANGHAI
↗ 12.76 0.15%	↗ 87.58 0.47%	↗ 27.81 1.19%
8,593.15	18,800.99	2,361.37

AMERICAS		
CANADA	BRAZIL	MEXICO
TSX	BOVESPA	BOLSA
↘ 10.32 0.09%	↗ 749.53 1.38%	↗ 156.55 0.42%
11,566.15	55,212.69	37,642.80

### FOREIGN EXCHANGE

	Fgn. currency in Dollars	Dollars in fgn.currency
Australia (Dollar)	.9847	1.0156
Bahrain (Dinar)	2.6532	.3769
Brazil (Real)	.5055	1.9782
Britain (Pound)	1.5681	.6377
Canada (Dollar)	.9766	1.0240
China (Yuan)	.1576	6.3463
Denmark (Krone)	.1688	5.9257
Dom. Rep. (Peso)	.0257	38.9800
Egypt (Pound)	.1656	6.0395
Europe (Euro)	1.2539	.7975
Hong Kong (Dollar)	.1288	7.7629
Japan (Yen)	.0126	79.4600
Mexico (Peso)	.0717	13.9444
Norway (Krone)	.1665	6.0066
Singapore (Dollar)	.7827	1.2776
So. Africa (Rand)	.1198	8.3475
So. Korea (Won)	.0008	1179.5
Sweden (Krona)	.1396	7.1609
Switzerland (Franc)	1.0434	.9584

Source: Associated Press

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## In Spain, Tensions Rise as Crisis Sinks Markets

MADRID — Spain's borrowing costs approached record highs on Monday as investors fretted over how the government would find additional money to bail out Bankia, the country's largest mortgage lender, and other troubled banks.

Shares in Bankia plunged almost 30 percent early Monday, only to recover somewhat, closing down 13.4 percent. Trading had been suspended Friday before the bank's board called for an additional \$24 billion of government money.

Stocks were down broadly in Spain. That dragged down markets elsewhere in Europe, despite some optimism about weekend polls in Greece indicating that political parties might be able to

form a government after June 17 elections. If that happened, the Greek parties favoring continued European aid might be less likely to exit the euro zone.

In Spain, investors are increasingly worried about the banking industry, with €1 trillion in deposits, and whether it will need a bigger bailout. Prime Minister Mariano Rajoy vowed Monday that "there will be no Spanish banking rescue."

Still, most analysts expect that ballooning loan defaults, coupled with dangerously high borrowing costs for the Spanish government, will lead Madrid to seek emergency financing for its banks from the European Union.

The so-called risk premium demanded by investors for hold-

ing 10-year Spanish government bonds, instead of German bonds, reached 5.1 percentage points Monday, the biggest differential since the euro's introduction.

While the government could seek to raise cash on the bond markets, it now would have to pay interest rates near a record. On Monday, the yield on Spanish 10-year bonds rose as high as 6.5 percent.

"If Spain wants to calm the markets and reduce the risk premium, the only possibility seems to be to appeal for help to the European institutions," said Arturo Bris, a Spanish economist. "It's just too late for the government to make strong statements in order to appease the markets."

RAPHAEL MINDER

## 7-Eleven Finds a Niche by Providing a Place for Indonesia's Plugged-In Young

JAKARTA, Indonesia — As night falls, groups of twentysomethings gather at a trendy hangout, chatting at tables laden with beer, iced coffee and nachos. Some couples cuddle over chocolate pudding, while others groove to music on their iPhones.

The nightspot has live bands, Wi-Fi and a growing clientele.

It also has a familiar green-and-orange sign hanging overhead: 7-Eleven.

"It's a new concept of hanging out," said Oka Dharmawan, 21, an

engineering student who meets friends at 7-Eleven almost every night to log onto the wireless hot spot and drink Slurpees.

Ten years ago, young people in Indonesia gathered at street-side food stalls called warung to hang out and gossip.

"People still like to talk about their lives, they like to gossip," said Henri Honoris, president director of Modern Putra, 7-Eleven's Indonesian franchisee. "Now we give them an alternative. It's a warung with better quality."

The franchise's strategy has been to blend a small supermarket with inexpensive ready-made food and seating. "The neighborhood 7-Eleven has become recreational," said Debnath Guharoy, Asia director for Roy Morgan Research, a market research company based in Australia.

Sixty-five percent of the franchise's customers are younger than 30, and, to reach them, it relies on a love of social networking. In one of the world's most plugged-in countries, 7-Eleven

has 57,000 Twitter followers and more than 44,000 Facebook fans.

Many of them spend hours surfing the Internet at 7-Eleven, which never closes, allowing young people to gather late into the night. When the store plays host to local bands, customers update their social networking statuses and help draw bigger crowds.

And now that many Indonesians have more disposable income, they are looking for what Honoris calls "affordable luxury."

SARA SCHONHARDT