

**World shares rebound as Putin says no need for force in Ukraine**  
**Malaysian Insider**  
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World shares and hard-hit Russian assets rebounded today after Russia's president said he saw no need to use military force in the Crimea for now, remarks investors saw as intended to ease tensions over Ukraine.

Russian stocks and the rouble were higher while gold and the Japanese yen, traditionally seen as safe havens, fell.

Vladimir Putin told a news conference that Russia's use of force in Ukraine would be a choice of "last resort" and that sanctions being considered against Moscow by the West would be counter-productive.

European stocks rose, with the pan-European FTSEurofirst 300 index up 1.8%, recouping over half of yesterday's losses, which were largely driven by the Ukraine crisis.

MSCI's all-country world stocks index, which tracks stocks in 45 countries, was up half a percent.

US stock index futures were up more than 1 percent, suggesting a higher open on Wall Street.

"It's still a very worrying situation but seems to have calmed down a bit. That's why we're seeing a bit of a recovery," said Scott Meech, co-head of European equities at Union Bancaire Privee (UBP).

Russian stocks, bonds and the rouble had plunged yesterday as Putin's forces tightened their grip in Crimea, whose population is mainly ethnic Russian.

After Putin's news conference, the rouble-denominated MICEX stock index was up 5.2%, while the rouble rose 0.9% to 36.17 to the dollar.

MSCI's broadest index of Asia-Pacific shares outside Japan rose nearly 0.2% and Tokyo's Nikkei closed 0.5% higher as some foreign investors scooped up battered shares, although concerns over Ukraine kept the market on edge.

In currency markets, the euro and the dollar gained 0.6% and 0.4% respectively to 140.22 and 101.85 yen. The euro rose 0.2% to US\$1.3770.

"Given three days worth of bad headlines, I think the market was just willing to take any sort of stability it can get," said Geoffrey Yu, a strategist with UBS in London.

Yields on top-rated euro zone government bonds rose as demand for low-risk assets waned.

Yields on lower-rated Italian and Spanish debt held near eight-year lows, resilient to global risk aversion to an extent that highlights how the market's perception of their creditworthiness has changed.

"Turn the clock back a few years and these markets would be hit by contagion," said Nick Stamenkovic, a bond strategist at RIA Capital Markets in Edinburgh.

"But you see more signs of growth in these countries... (and) the (European Central Bank) has backstops in place."

US 10-year Treasury yields also rose, and were last up 4.7 basis points at 2.65%.

Gold, another traditional safe haven, fell after rallying nearly 2% yesterday. It was last down 0.8% at US\$1,337.90.

Brent crude oil fell about 1.6% to US\$109.38 (RM357.67) per barrel. – Reuters, March 4, 2014.

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