

Euro gains, yen softens on signs of Ukraine crisis thaw
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The dollar firmed against the yen but weakened against the euro yesterday as investors gained confidence that the Ukraine crisis will not worsen.

Traders interpreted comments by Russian President Vladimir Putin that force was "a last resort" in Ukraine and there was "no need" yet to send in troops as a sign that tensions were easing.

"The conciliatory tone offered today by President Putin – and the removal of Russian troops from the eastern Ukrainian border that were activated for 'planned military drills' – has offered reason anew to be bullish on risk assets," said Christopher Vecchio, currency analyst at DailyFX.

The euro edged up to US\$1.3740 (RM4.49394) around 2300 GMT from US\$1.3733 late Monday.

The dollar rose against the Japanese currency, buying 102.24 yen (RM3.27441), up from 101.42 yen. The euro, meanwhile, rose to 140.49 yen from 139.27.

"There was not much consistency in the dollar's performance today but even with a quick glance it is clear that there is a general sense of risk appetite in the financial markets," said Kathy Lien of BK Asset Management.

"Currencies and equities traded sharply higher on the hope that tensions between Ukraine and Russia are easing."

Angus Campbell, an analyst at FXPro, said traders seemed to want to put the turmoil of Monday behind them and look ahead to economic news coming up this week.

Today the US Federal Reserve releases its Beige Book on current US economic conditions.

The report feeds into monetary policy discussions and could shed light on the extent bad weather was a factor in a recent bout of weaker data.

The European Central Bank and the Bank of England announce policy decisions tomorrow.

The US Labor Department releases its monthly report on unemployment and job growth on Friday.

The dollar rose to 0.8875 Swiss franc (RM3.27129) from 0.8831 franc late Monday.

The pound slipped to US\$1.6660 from US\$1.6663. – AFP, March 5, 2014.

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