

**Asian shares find support amid concerns over Chinese economy**  
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Asian markets were finding their feet today after a rocky ride the previous session, though uncertainty about the true state of China's economy kept the mood brittle and commodity prices depressed.

Most regional shares edged higher, led by Japan's Nikkei which advanced 0.8%. MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.2%, after shedding 1.3% yesterday.

Shanghai, however, lost another 0.2% to be perilously close to its lowest since last July and prices for industrial commodities stayed under water in the wake of February's shock fall in Chinese exports.

Dealers were especially nervous about iron ore following an 8% slide yesterday that fuelled unease about the health of China's giant steel sector.

Brent crude lost a further 13 cents to US\$107.95, while United States oil extended its decline to US\$101.03 a barrel.

There was some relief that rates in Chinese money markets were not showing much strain while the yuan was fixed in line with expectations.

Wall Street also managed to end steady yesterday after recouping early losses. The Dow Jones industrial average ended off 0.2%, while the S&P 500 lost just 0.05%. Other popular indicators of risk were also muted. The stock market's fear gauge, the CBOE Volatility Index, ended little changed after an early spike, while US 10-year Treasury yields eased a single basis point to 2.78%.

Forex markets were surprisingly calm with the dollar barely changed against a basket of major currencies.

Even currencies from major resource exporters incurred only modest losses. The Australian dollar, often used as a liquid proxy for Chinese risk, stabilised at US\$0.903 after losing half a US cent yesterday. The euro held rock steady at US\$1.3875, while the dollar inched up to 103.33 yen.

Later today, the Bank of Japan (BOJ) is expected to reaffirm its commitment to massive monetary stimulus. Nothing new is expected at the policy meeting, but markets suspect the BOJ could be pushed into action once a sales tax increase goes through in April.

The Japanese economy grew at a pedestrian 0.7% annualised pace in the last quarter of 2013 as net exports proved a major drag, intensifying pressure for fresh action from the central bank.

The BOJ's decision is due anytime after 0300 GMT, and Governor Haruhiko Kuroda will hold a news conference afterward.

Gold was a shade firmer today at US\$1,340.61 an ounce, as fears of an economic slowdown in China and Ukraine's geopolitical crisis keep investors seeking safe-haven bullion.

In a sign of investor confidence in the precious metal amid global uncertainties, the world's biggest bullion-backed exchange-traded fund saw its largest inflow in a month yesterday. – Reuters, March 11, 2014

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