

**Asian shares struggle as investors cautious over China, Ukraine**  
**Malaysian Insider**  
**24 March, 2014**

Asian shares lurched lower in a cautious start to the week today, as investors were hobbled by the persistent tensions in Ukraine, uncertainty over Federal Reserve policy and worries about slowing growth in China.

The euro edged away from a recent low hit against the dollar as traders continued to recalibrate expectations around US monetary policy after Fed Chair Janet Yellen last week raised the prospect of an earlier start to interest rate hikes.

Markets will also get an opportunity to check the pulse of the world's second-biggest economy later in the session when a private survey on China's manufacturing sector is released.

The China HSBC flash manufacturing purchasing managers index (PMI) is due at 0145 GMT (9.45am MYT), and will be released amid increasing worries about a pullback in the economy and surprising moves in the yuan currency market that have rattled investors.

"The concerns around China's growth are likely to remain over the coming weeks as the slowdown in orders over the winter months and Chinese Lunar New Year filter out," Eva Lucas, market strategist at IG in Melbourne, wrote in a note to clients.

The yuan suffered its biggest weekly drop against the dollar last week as policymakers try to flush out hot money from the market.

MSCI's broadest index of Asia-Pacific shares outside Japan inched down 0.1% in early trading, while Australian shares shed about 0.3%. Japan's Nikkei share average bucked the trend and opened 0.5% higher.

Appetite for risk remained largely suppressed as geopolitical tensions continued to simmer after Nato's top military commander said yesterday Russia had built up a "very sizeable" force on its border with Ukraine, and Moscow may have a region in another ex-Soviet republic, Moldova, in its sights after annexing Crimea.

The euro stood little changed against the dollar at US\$1.3793 (RM4.56) after hitting a two-week low of US\$1.3749 on Thursday.

Investors snapped up the greenback last week as they swiftly brought forward the risk of a US interest rate hike early in 2015 after Yellen surprised markets by raising the prospect of such a move.

The dollar dipped 0.1% to 102.15 yen (RM3.31), with the Japanese currency continuing to draw safe-haven bids as investors continued to fret over the crisis in the Ukraine.

Currency market players were also keeping an eye on emergency talks between leaders of G7 nations scheduled to take place later in the session.

At The Hague, the G7 will probably discuss how to exert further pressure on Russia and at what potential cost.

On the commodity front, spot gold dipped to US\$1,330 an ounce, still reeling from a sharp fall triggered by Yellen's comments last Wednesday. Russia's assurance last week that it had no plans to invade other parts of Ukraine has also taken some of the gloss off gold. – Reuters, March 24, 2014.

Hakipta © 2014 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/business/article/asian-shares-struggle-as-investors-cautious-over-china-ukraine>