

**Asian shares rise as Fed minutes soothe sentiment**  
**Malaysian Insider**  
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Asian shares look to extend recent solid gains today after minutes of the Federal Reserve's latest policy meeting suggested the Fed may be more cautious towards raising interest rates than markets had thought.

The perception change on the Fed's thinking also prompted the dollar to fall to near its mid-March low against a basket of currencies, while US short-term yields also hit three-week lows.

MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.2% to hit a five-month high while Japan's Nikkei jumped 1.2% from a two-week low hit the previous day.

The minutes showed Federal Reserve officials fretted last month that investors would overreact to policymakers' latest views on interest rates that appeared to map out a more aggressive cycle of rate hikes than was actually anticipated.

"It's not so much that the Fed was dovish but the Fed has turned out not to have become hawkish. People were nervous as it was the first meeting under Yellen," said Tohru Yamamoto, chief fixed income strategist at Daiwa Securities.

The perceived dovish tone of the minutes, from a March 18-19 Federal Open Market Committee meeting lifted all three major US stock indexes more than 1%, with recently battered internet and biotech stocks among the day's biggest gainers.

It also sparked a wave of buying of short- and intermediate-term government debt, pushing yields to their lowest levels in three weeks.

Investors are pushing back expectations of the Fed's first rate to late 2016, with federal funds futures now pricing it in around October, compared to around August about a week ago.

As lower short-term rates and bond yields typically reduce the relative attraction of a currency against others, the dollar came under broad pressure.

The dollar index stood at 79.51, within sight of 79.268 hit on March 13 and its 2013 low around 79.00 hit twice last year.

The euro traded at US\$1.3855 (RM4.47), having recovered from a five-week low of US\$1.3705 hit last Friday after fairly upbeat US employment data.

The dollar fetched 102.05 yen (RM3.24), near Tuesday's three-week low of 101.55 yen while the Australian dollar held near a five-month high of US\$0.9309.

Oil prices were also firm, helped by unexpectedly high US gasoline demand as well as tensions between Russia and the West as eastern Ukraine is rocked by unrest.

US crude futures stood at US\$103.40 per barrel, having risen as high as US\$103.77 yesterday, the highest level since early March. – Reuters, April 10, 2014.

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