

**Asian shares shrug off losses, yen holds gains**  
**Malaysian Insider**  
**8 Apr, 2014**

Asian stocks shrugged off early losses and rose today, helped by Chinese shares a rising sharply on stimulus hopes, though Japanese equities slumped as the yen clung to its gains after the Bank of Japan held policy steady.

MSCI's broadest index of Asia-Pacific shares outside Japan added about 0.4%. The Shanghai Composite Index was up 1.8%.

Financial spreadbetters expected Britain's FTSE 100 to open 16 to 19 points lower, or down 0.3%; Germany's DAX to open 7 to 10 points lower, or down 0.1%; and France's CAC 40 to open unchanged.

"European equities are set to start flat as traders tread cautiously," Jonathan Sudaria, a dealer at London Capital Group said in a note to clients.

"Whilst the mini tech-wreck in the US has weighed on global markets, European sensibilities hadn't allowed valuations to reach such unfathomable levels so it's fair to assume that traders don't see why there should be a wider sell off," he said.

Wall Street gloom initially cast a shadow over the Asian session. Yesterday, the Nasdaq Composite suffered its worst three-session decline since November 2011 as Internet stocks tumbled, while the S&P 500's three-day fall was its steepest since late January.

Rising tensions in Ukraine also tempered investor appetite for risk. Pro-Moscow protesters in eastern Ukraine seized arms in one city and declared a separatist republic in another, moves Kiev described yesterday as part of a Russian-orchestrated plan to justify an invasion.

Japan's Nikkei stock average bucked the regional trend and slumped 1.4% to its lowest close in two weeks.

The BoJ kept monetary policy steady today and maintained its view the economy is likely to continue recovering moderately, signalling its confidence the country is making steady progress toward meeting the bank's price target. But some investors had hoped Japan's central bank would surprise with an announcement of more purchases of more risk assets such as exchange-traded funds (ETFs).

"I think the BoJ are hedging their view a little bit. There is an element of increased caution," said Hiroshi Shiraishi, senior economist at BNP Paribas Securities in Tokyo.

"We don't rule out the possibility of an increase in risk asset purchases like ETFs, but we are quite sceptical about a big increase in the monetary base target."

Data released shortly before Tokyo markets opened showed some economic resilience, as Japan's current account balance returned to a surplus in February for the first time in five months on stronger exports to Asia and rising income from overseas investments.

Against the yen, the dollar fell about 0.2% to 102.87 yen (RM3.26), well off its 2-1/2 month high of 104.13 yen hit on Friday.

The euro also bumped lower against its Japanese counterpart, down about 0.2% to 141.38 yen, though it held above yesterday's more than one-week low of 141.12 yen.

Against the dollar, the common currency was flat on the day at US\$1.3744 (RM4.48), having pushed off Friday's five-week nadir of US\$1.3672 to yesterday's high of US\$1.3748.

In commodity markets, gold was trading around two-week highs, up about 0.9% from the previous session at US\$1,308.90 an ounce.

US crude for May gained about 0.6% to US\$101.03 a barrel, pushed up by the renewed tensions over Ukraine, a major supply route for Russian gas to Europe. But the rise was capped by expectations of a US crude oil stock build-up.

May Brent crude rose about 0.3% to US\$106.09 a barrel. – Reuters, April 8, 2014.

Hakipta © 2014 The Malaysian Insider

Source: <http://www.themalaysianinsider.com/business/article/asian-shares-shrug-off-losses-yen-holds-gains>