

Tokyo leads Asia up on Wall Street high, China data
Malaysian Insider
June 2, 2014

Tokyo shares led Asia higher early today, lifted by another closing record on Wall Street and upbeat China data, while the euro held recent gains against the dollar but remained shaky ahead of a closely watched European Central Bank meeting.

Tokyo's Nikkei gained 1.3%, while MSCI's broadest index of Asia-Pacific shares outside Japan stood effectively flat.

"There are plenty of key events on the economic calendar this week that could really set up equities for solid gains," Stan Shamu, market strategist at IG in Melbourne, said in a note to clients.

"Firstly, we've already seen positive signs from China's manufacturing PMI reading. We also have the ECB policy decision, which is widely tipped to deliver stimulus."

China's factory activity expanded at the fastest pace in five months in May due to rising new orders, official data showed yesterday, reinforcing views that the world's second-largest economy is regaining momentum.

After weeks of speculation the ECB is expected to deliver economic stimulus on Thursday via monetary easing. The euro fell to a 3-1/2 month low last week ahead of the expected move, although risk assets like equities should get a boost.

The euro traded little changed at US\$1.3627 (RM4.38) after bouncing back late last week from US\$1.3587, its lowest since February 13.

The dollar edged up 0.1% to 101.85 yen (RM3.22) after rebounding against the Japanese currency Friday thanks in part to slightly higher US Treasury yields.

On Friday the Dow and S&P 500 rode the momentum of the recent risk asset rally to set record closing highs.

However, Wall Street gains were modest in the wake of a mixed bag of US data and investors will be looking to Friday's non-farm payrolls for a confirmation that recovery for the world's largest economy is on track.

The US job data's impact on the Treasury market will also be eyed following a debt market rally in May that took benchmark yields to 11-month lows and pressured the dollar.

In commodities, gold sagged after hitting a four-month low on Friday on book squaring by investors and selling by commodity funds. Spot gold was at US\$1,274.11 an ounce, not far from the four-month low of US\$1,241.99.
– Reuters, June 2, 2014.

Hakcipta © 2013 The Malaysian Insider

Source:

<http://www.themalaysianinsider.com/business/article/tokyo-leads-asia-up-on-wall-street-high-china-data>