

Asian shares up on easing Ukraine tensions

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Asian stocks climbed, with the Topix index set for its biggest weekly advance this month, amid easing tension in Ukraine. South Korea's won rose, while credit risk in Japan fell and rubber dropped to the lowest since 2012.

The MSCI Asia Pacific Index added 0.1 percent to 138.89 at 2:02 p.m. in Tokyo as the Topix rose 0.2 percent. South Korea's Kospi Index increased 0.6 percent. The won appreciated 0.2 percent while the yen was little changed. Rubber futures declined as much as 3.9 percent in Tokyo. Financial markets in the U.S., U.K., Germany, Hong Kong, Singapore, Australia and New Zealand are among those that are closed for a holiday.

Four-way talks on the crisis in Ukraine ended with an accord aimed at taking the first steps toward de-escalating the conflict after President Vladimir Putin said he hopes he won't have to send in troops. New home prices in China rose in 56 of 70 cities last month, statistics bureau data showed. U.S. jobless claims increased less than forecast yesterday, signaling the world's largest economy is holding up and adding to speculation the Federal Reserve will pare stimulus this year.

"A calming of the situation in the Ukraine is positive for stocks," said Juichi Wako, a Tokyo-based equity strategist at Nomura Holdings Inc., the nation's biggest brokerage. "With Ukraine concerns receding, the dollar gets bought and the yen weakens, so of course that's positive for today."

Most industry groups advanced on the Topix, which is headed for a 3.1 percent increase this week. The MSCI Emerging Markets Index rose 0.2 percent to 1,011.48, a third day of gains. The Standard & Poor's 500 Index climbed yesterday in New York to cap its biggest weekly advance since July as earnings from General Electric Co. and Morgan Stanley beat estimates.

Japan shares

Toyota Motor Corp contributed to the Topix's advance as the world's biggest carmaker added 0.8 percent. Casio Computer Co jumped 4.6 percent on a report the consumer-electronics maker's president said the company aims to achieve record

operating profit. Volume on the index was 42 percent lower than the 30-day intraday average.

Taiwan Semiconductor Manufacturing Co., the world's largest contract manufacturer of chips, added 2.1 percent in Taipei after the company forecast record sales surpassing analyst estimates. SK Hynix Inc., the world's second-largest maker of memory chips, added 3.3 percent, leading gains in South Korea's Kospi, which had its first increase in six days.

The yen traded at 102.40 per dollar after falling 0.2 percent yesterday, poised for a 0.8 percent loss this week. The won rose 0.2 percent against the greenback to 1,037.05. The South Korean currency should continue to be market-determined, and intervention should be limited to smoothing disorderly conditions, the International Monetary Fund said in a report.

Geneva agreement

The Bloomberg Dollar Spot Index, which tracks the currency against 10 major peers, was little changed at 1,010.46, after rising for a fifth day yesterday to 1,010.68, the highest close since April 7.

The agreement in Geneva was announced after talks between Russian Foreign Minister Sergei Lavrov, his Ukrainian counterpart, Andriy Deshchytzia, U.S. Secretary of State John Kerry and Catherine Ashton, the European Union's foreign-policy chief, lasted more than six hours. Kerry said Russia, which the U.S. and its European allies accuse of stoking the conflict, must start implementing the deal within days.

China's one-year interest-rate swap dropped as much as nine basis points to 3.74 percent, the lowest since June, as a front-page commentary in China Securities Journal said monetary policy may be kept "relatively loose." It dropped 22 basis points yesterday, the most since June 21, after the government said it would lower reserve requirements for some rural banks.

Home prices

New home prices in China rose month on month in March in 56 out of 70 cities tracked by China's statistics bureau, compared with 57 cities in February, according to a statement posted to the bureau's website today. Stocks in Shanghai fell 0.1

percent, heading for the biggest weekly loss in a month, on concern a slowing economy will curb earnings.

Manufacturing in the Philadelphia region grew at the fastest pace in seven months, data showed yesterday, while other figures showed the number of Americans filing for unemployment insurance payments hovered near a seven-year low. An index of leading indicators next week is forecast to rise.

The S&P 500 jumped 2.7 percent for the holiday-shortened week, the most since July 12, and is up 0.9 percent for the year. The index dropped as much as 4 percent from its April 2 record as investors sold Internet and biotechnology stocks, the best performers during the five-year bull market, amid concern valuations had become too expensive before earnings.

Economic recovery

Fed Chair Janet Yellen said April 16 the central bank is committed to policies that will support economic recovery. Policy makers are unwinding the bond-buying program they have used to support the economy. They have kept their target for overnight lending between banks in a range of zero to 0.25 percent since 2008.

The cost of insuring corporate bonds against non-payment in Japan fell with the Markit iTraxx Japan index retreating 0.5 basis points to 84.25, Citigroup Inc. prices show. The measure is poised to fall to its lowest level since April 4 and is on track for a 2.75 basis points drop this week, according to data provider CMA.

Rubber futures fell to 206.50 yen a kilogram, the lowest level since August 2012, on concern a global surplus will expand, before trading at 207.50 yen. The glut will be 78 percent more than estimated in December as demand slows and output in Thailand exceeds forecasts, according to The Rubber Economist Ltd., an London-based industry adviser.

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