

**Iraq unrest drives up oil, shares edge higher**  
**Malaysian Insider**  
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Escalating violence in Iraq drove crude oil prices to nine-month highs yesterday while damping the appetite for risk, even as bullish news from the US tech sector lifted shares on Wall Street and helped buoy stocks in global equity markets.

Brent crude edged above US\$113 (RM363) a barrel, up more than US\$4 this week, on concerns that an insurgency in Iraq could trigger civil war and eventually crimp oil exports.

Iraq's most senior Shia cleric urged his followers to take up arms to defend themselves against advancing Sunni militants, escalating a conflict that threatens civil war and a possible break-up of the country.

"The market in general is trying to assess the risks on Iraq," said Olivier Jakob at Petromatrix consultancy.

The dollar strengthened against a basket of major currencies for the first time in three sessions as the Iraqi violence triggered a safety bid for the US currency. Higher US bond yields also underpinned the move.

European stocks closed slightly lower but shares on Wall Street rose after Intel Corp raised its full-year revenue outlook, citing stronger-than-expected demand for personal computers used by businesses.

Intel added the most gains to the three major indices on Wall Street, and its shares were up 6.62% at \$29.81.

MSCI's all-country world equity index rose 0.04%, lifted by Wall Street and Canada's Bay Street.

The FTSEurofirst 300 index of top European shares closed down 0.2 percent at 1,389.83, moving further away from this week's 6-1/2-year high.

The Dow Jones industrial average rose 34.75 points, or 0.21%, at 16,768.94. The Standard & Poor's 500 Index was up 5.36 points, or 0.28%, at 1,935.47. The Nasdaq Composite Index was up 12.56 points, or 0.29%, at 4,310.19.

"The market isn't cheap, but it isn't crazy expensive and the sectors that are looking better are cyclical in nature," said Michael Mullaney, chief investment

officer at Fiduciary Trust Co in Boston. "Tech has been doing well from a price return standpoint, and that should continue."

Brent settled 39 cents higher at US\$113.41 per barrel, off a peak of US\$114.69, its highest since September.

US crude rose 38 cents to settle at US\$106.91, off a high of US\$107.68 hit earlier, also a nine-month peak.

The US dollar index, which measures the dollar against a basket of six major currencies, rose 0.07% at 80.636. The euro slid 0.13% against the dollar at US\$1.3534, while the dollar rose 0.32% against the yen at 102.03.

Sterling surged after the Bank of England hinted at an interest rate rise this year.

Despite the decline in riskier assets, benchmark US bond prices fell, pushing yields higher. U.S. 10-year notes fell 5/32 in price to yield 2.6042%. – Reuters, June 14, 2014.

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