

**Asian shares muted, currencies in well-worn ranges**  
**Malaysian Insider**  
**June 24, 2014**

Asian shares were subdued today while major currencies kept to recent snug ranges after a surprisingly soft reading on euro zone manufacturing took the shine off better data from China, Japan and the United States.

Moves were marginal as markets slipped into something of a summer lull and MSCI's broadest index of Asia-Pacific shares outside Japan was just a fraction firmer.

Japan's Nikkei eased 0.6% while South Korea added 0.3%.

Likewise, Wall Street had barely budged with the Dow off 0.06% and the S&P 500 0.01%, while the Nasdaq added 0.01%.

The FTSEurofirst 300 index of leading European shares had lost 0.48% after Markit's Composite Purchasing Managers' Index (PMI) unexpectedly fell to 52.8 in June from May's 53.5.

The PMI surveys of manufacturing tend to be reliable, and timely, leading indicators of output trends and are closely watched by economists.

So there was relief that readings from the United States, China and Japan all rose strongly in the month. The US PMI was a particularly pleasant surprise as it climbed to a four-year peak of 57.5.

David Hensley, an economist at JPMorgan, said the PMI's taken as a whole pointed to a quickening in global industrial output, perhaps to as much as a 5% annualised pace.

"Emerging Asia lies at the centre of global manufacturing, so any acceleration in global activity normally would be confirmed there," he added.

"The continued recovery in China's manufacturing PMI is a positive sign, both outright and because China's survey typically is aligned with the broader EM complex. The trend in official data for EM Asia ex China remains murky, however."

The disappointing euro zone PMI's weighed on the euro, while the better Chinese data boosted the Australian dollar given the country's close trade ties.

The euro was flat at US\$1.3600 (RM4.38) while the Aussie was up at US\$0.9423 having touched a three-month peak overnight. Against the yen,

the common currency stood at 138.60 (RM4.38), while the dollar fetched 101.87.

That left the dollar index little changed at 80.271, well within 80.000-81.000 seen since May.

The economic diary is bare for much of Asia today though Japanese Prime Minister Shinzo Abe should detail more of his so-called "Third Arrow" policies including phased corporate tax cuts, public pension reforms and proposed dance hall deregulation.

Given that many have already been leaked or announced by officials, the risk is that the measures are likely to receive a lukewarm response from investors. Still, the market will be keen to see how they are fleshed out and implemented.

In commodity markets, gold was underpinned by geopolitical tensions amid the increasing violence in Iraq, while platinum eased as South African miners' union declared an official end to a five-month strike.

Spot gold was sitting tight at US\$1,315.00 an ounce as the market consolidated last week's 3% jump.

Brent crude edged back from nine-month highs as concerns waned that a Sunni Islamist insurgency in Iraq would cut the country's oil exports.

Brent fell 40 cents to US\$113.72 a barrel and US crude for August delivery shed 55 cents to US\$105.62. – Reuters, June 24, 2014.

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Source: <http://www.themalaysianinsider.com/business/article/asian-shares-muted-currencies-in-well-worn-ranges>