

## GLOBAL NEWS

### **Stocks gain amid deals optimism; dollar weakens**

US stocks rose for a second day amid a flurry of deal activity and signs of progress toward a coronavirus vaccine. The dollar weakened and Treasuries were little changed. The S&P 500 rose by 1.27% to 3,383.54 while Dow Jones was up 327.69 points (1.18%) to 27,993.33.

### **EU tells Xi that China must show investment deal worthwhile**

The European Union stepped up demands on China to open its market further to foreign investors, seeking to keep alive a goal for a far-reaching agreement this year. The European side said Beijing must follow up recent offers to pursue fairer economic policies with more concessions in order for an investment deal to be achieved by year-end. "China has to convince us that it is worth having an investment agreement," von der Leyen told. The EU and China have been in negotiations since 2013 on a bilateral pact that would reduce Chinese restrictions on European companies.

### **German recovery slower on weaker manufacturing, Ministry says**

Germany's economic recovery slowed recently due to weaker demand in the autos sector and declining machinery output, according to a government report. "The recovery in the German economy continues but has recently weakened," the Economy Ministry said in its latest monthly report. "In the course of the year, the recovery should proceed but the pre-crisis level from late 2019 will only be reached by early 2022."

### **UK house prices set for 14% drop next year as support ends**

UK house prices are set to plunge next year as government support measures to kick-start the economy after lockdown expire. Average house prices will fall by nearly 14% from 2020 levels, according to the Centre for Economics and Business Research. The decline will begin toward the end of this year and continue in the first half of 2021, though a brief spike is possible when a temporary sales tax break ends in March.

### **France's economic rebound is stronger than initially thought**

France's economic recovery from the coronavirus lockdown is stronger than previously expected, the Bank of France said as it revised up its growth and inflation forecasts for this year and next. The slump in the euro area's second-largest economy during state-ordered confinement wasn't as deep as initially reported, and recent activity has been better than business leaders had forecast, central bank surveys showed.

### **China home price growth accelerates as credit growth jumps**

China home-price growth accelerated in August after a brief slowdown the previous month as credit growth rebounded and wider property curbs did little to damp buyer enthusiasm. New home prices in 70 major cities, excluding state-subsidized housing, rose 0.56% last month, compared to a 0.47% gain in July, National Bureau of Statistics data released showed. Values in the secondary market, which is largely free from government intervention, gained 0.34%, the fastest in more than a year.

### **India's WPI inflation rises for the first time in five months**

Wholesale inflation in India inched up for the first time since March as prices of primary articles and manufactured products increased. Inflation as measured by the wholesale price index rose to 0.16% in August compared with a contraction of 0.58% in July, according to data released by the Ministry of Commerce and Industry.

### **Oil trapped between bearish demand outlook and rallying equities**

Oil markets were paralyzed on Monday by uncertainty over exactly when global fuel demand will rebound from a pandemic-driven collapse. Brent crude for November settlement fell US\$0.22 to US\$39.61 per barrel.

Source: Bloomberg

(Aida Mansor; 03-2146 7489; aida.mansor@affinhwang.com)

