

GLOBAL NEWS

Stocks pare losses as tech rally tempers bank rout

Stocks pared losses as a rebound in some tech giants tempered concern over cloudy prospects for economic stimulus and a report about suspicious transactions at global banks. Bonds and the dollar rose. The S&P 500 fell by 1.16% to 3,281.06 while Dow Jones was down 509.72 points (1.84%) to 27,147.70.

Fed's Powell says US economy faces long, uncertain recovery

Federal Reserve Chair Jerome Powell said the US economy is improving but has a long way to go before fully recovering from the coronavirus pandemic. "Many economic indicators show marked improvement," Powell said. "Both employment and overall economic activity, however, remain well below their pre-pandemic levels, and the path ahead continues to be highly uncertain," he said.

Fed's Kaplan, wary of bubbles, dissented to preserve flexibility

Federal Reserve Bank of Dallas President Robert Kaplan said he doesn't want to commit the US central bank to too much monetary stimulus once the economy has recovered from the pandemic. Kaplan said he believes "strongly" that the Fed should keep its benchmark interest rate in a target range of zero to 0.25% until the economy has weathered the pandemic and is "well on track" to full employment and price stability, which could take at least two to three years.

Lagarde says ECB still has options if more stimulus needed

Christine Lagarde said the European Central Bank (ECB) has room to add stimulus and can adapt its already expansive toolkit if the economy needs more help. She said while the third quarter will see a rebound, the recovery from the coronavirus recession is still "uneven and incomplete." The ECB is paying close attention to the euro's appreciation and its knock-on effect on inflation.

UK house prices up most since 2016 as Britons seek more space

A boom in the UK housing market gathered pace this month as Britons' pandemic-driven desire for more living space and a tax break on purchases pushed asking prices up by the most in four years. Advertised prices for homes gained 5% yoy, the most since September 2016, property website Rightmove said.

Philippines central bank chief says likely to keep easy policy

Bangko Sentral ng Pilipinas' loose monetary policy "will be on the table for the next maybe 2 years" as uncertainties remain, Governor Benjamin Diokno said. "Right now, we have taken a pause, a deliberate pause, so that we'll see how that 1.4t pesos is absorbed by the market," he told, referring to the amount of funds that central bank's liquidity-support measures have released into the financial system.

Korea's early exports rise on more work days, growing demand

South Korea's early trade data showed exports rebounding in September, buoyed by more work days and growing demand for cars and semiconductors from economies gradually reopening after coronavirus-triggered lockdowns. Exports rose 3.6% yoy in the first 20 days of September, the first rise in early trade data since March, according to customs office data released. Average daily shipments fell by 9.8% as the period had two more working days compared with last year.

WTI oil rebounds to near US\$40 as Storm Beta approaches Texas coast

WTI oil pared some of Monday's losses in Asia, with investors keeping an eye on a storm front threatening the US Gulf Coast and mounting concerns over prolonged coronavirus restrictions putting risk assets broadly under pressure. Brent crude for November settlement declined US\$1.71 to US\$41.44 per barrel.

Source: Bloomberg

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