

## GLOBAL NEWS

### **Stocks climb as dip buyers emerge after selloff**

Stocks climbed as dip buyers emerged after the market selloff, tempering concern over remarks from Federal Reserve officials that pointed to a slow economic recovery. The dollar rose. The S&P 500 rose by 1.05% to 3,315.57 while Dow Jones was up 140.48 points (0.52%) to 27,288.18.

### **Evans says Fed plan allows hike before inflation averages 2%**

The US central bank's new guidance on interest rates doesn't preclude tightening before inflation averages 2% for some period of time, Chicago Fed President Charles Evans said. "We've sort of said we're looking to get inflation up to 2%, and then after that, we could be raising rates and still have an accommodative setting of monetary policy," Evans said.

### **Fed's Bullard says US has already delivered enough fiscal aid**

Federal Reserve Bank of St. Louis President James Bullard said the US economy has enough momentum to continue its recovery from the coronavirus slump even if Congress fails to pass additional taxpayer support. "I don't think there is as much of an imperative about a new fiscal package as there might have been" in July or August, Bullard said.

### **Europeans unwillingly hoarded cash during lockdowns, ECB says**

Europeans struggled to spend their money in the midst of the coronavirus pandemic, sparking a surge in savings, according to the European Central Bank. With economies in lockdown and millions of consumers forced to stay at home, people in the euro area were unable -- rather than unwilling -- to consume as normal in the first half of the year, the ECB said in its economic bulletin.

### **Bailey plays down odds of BOE negative rates on virus risks**

The Bank of England isn't close to negative interest rates despite the resurgence of the coronavirus reinforcing downside risks to the UK economy, according to Governor Andrew Bailey. While the bank has "looked hard" at rate cuts and negative rates are in the toolbox, planned technical work on the policy is to examine whether it can be implemented rather than a signal it is coming, he said.

### **Indonesia sees economy contracting for first time since 1998**

Indonesia's economy is set to contract for the first time since the Asian financial crisis more than two decades ago as the country struggles to get virus cases under control. Gross domestic product is forecast to decline 0.6% to 1.7% this year, Finance Minister Sri Mulyani Indrawati said. The government previously had estimated the economy could grow 0.2% or shrink by as much as 1.1%.

### **Thai cabinet backs US\$2.2bn cash aid to boost economy, jobs**

Thailand's cabinet backed several stimulus measures worth a combined budget of 70bn baht (US\$2.2bn) to boost consumption and jobs to counter the economic downturn from the Covid-19 outbreak. The ministerial meeting also passed a resolution to add three additional holidays this year to encourage domestic travel, as the country's vital tourism sector has been crushed by the absence of international tourists for months because of the pandemic.

### **Oil rebounds on stronger stocks as virus casts cloud over demand**

Oil recovered from the steepest one-day loss in almost two weeks as equities advanced, though further gains may be limited by a resurgence in coronavirus cases and new lockdown measures. Brent crude for November settlement rose US\$0.28 to US\$41.72 per barrel.

Source: Bloomberg

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