

MARKET UPDATE

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Asian stocks rally as fears ease over Ukraine, Fed and China

Hong Kong led strong gains in Asian stock markets on Thursday, buoyed by signs of progress in peace talks between Russia and Ukraine and by expectations of more support for China's wobbly economy.

Pan-European stock futures also looked set for a firmer open, pointing 0.21% higher. U.S. stock futures indicated a slightly lower restart but followed a 2.2% surge for the S&P 500 overnight.

Oil surges after IEA warns of shortfall in supply

Oil prices climbed about 3% on Thursday after the International Energy Agency (IEA) said markets could lose three million barrels a day (bpd) of Russian crude and refined products from April.

The supply loss would be far greater than an expected drop in demand of one million bpd triggered by higher fuel prices, the IEA said in a report on Wednesday.

Benchmark Brent crude futures gained \$3, or 3.1%, to \$101.09 a barrel by 0844 GMT, after falling for three consecutive trading sessions.

U.S. West Texas Intermediate (WTI) crude was up \$2.8, or 3%, to \$97.84 a barrel.

Rate hike, intervention can't reverse weak yen

Tightening monetary policy or intervening in the currency market will do little to reverse unwelcome yen declines that inflate already rising fuel and raw material prices, Japan's former top currency diplomat Hiroshi Watanabe said on Thursday.

Japanese policymakers have historically battled sharp yen rises that threaten to damage exports by issuing verbal warnings or currency intervention, while keeping a hands-off approach on yen falls.



China says to protect rights of its telecoms firms after U.S. move

China opposes a U.S. crackdown on its telecom companies, the commerce ministry said on Thursday, after a U.S. regulator stripped Pacific Networks and its ComNet unit of authorisation to provide U.S. telecoms services.

Ministry spokesman Gao Feng told a news conference that China would take the measures necessary to safeguard the legitimate rights of its firms after the Federal Communications Commission voted on Wednesday to revoke the authorisation.

Tough choices ahead for Russia's inflation hawk Nabiullina

In March 2021, as the Bank of Russia hiked interest rates for the first time in three years, Governor Elvira Nabiullina wore a brooch in the shape of a hawk - the latest in series of such sartorial nods to policy picked up by the Russian media.

Less than a year later, black-clad and grim-faced, Nabiullina announced she was more than doubling the bank's policy rate to 20% and imposing some capital controls as Russia faced deepening economic isolation over its invasion of Ukraine.

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