

# MARKET UPDATE

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## Asian shares dragged lower by China, UK inflation on radar

Asian shares were mixed on Wednesday, with investors cautious on China amid the ongoing Party Congress, while European markets are set to extend the optimism on earnings ahead of British inflation readings.

MSCI's broadest index of Asia-Pacific shares outside Japan reversed earlier gains to be 0.5% lower, driven by a 1.2% drop in Chinese blue chips and a 1.4% fall in Hong Kong's Hang Seng index.

Elsewhere, Japan's Nikkei advanced 0.5% while Australia's resources-heavy shares gained 0.3%, tracking Wall Street higher.

The pan-region Euro Stoxx 50 futures rose 0.6%.

U.S. S&P 500 futures rose 0.7% and Nasdaq futures jumped 1.0%. Netflix Inc (NASDAQ:NFLX) reversed customer losses that had hammered its stock this year and projected more growth ahead, sending its shares 14% higher in after-hours trading.

## Oil prices rise as investors seek riskier assets and on China demand outlook

Oil prices climbed on Wednesday, paring losses from the previous session, as investors jumped into riskier assets such as commodities amid gains in broader equity markets and on signs of renewed demand from top oil importer China.

Brent crude futures for December settlement rose 22 cents, or 0.2%, to \$90.25 a barrel by 0620 GMT.

U.S. West Texas Intermediate crude for November delivery was at \$83.50 a barrel, up 68 cents, or 0.8%. WTI's front-month contract expires on Thursday and the more active December contract was at \$82.66, up 59 cents, or 0.7%.

In the previous session, Brent fell by 1.7% and WTI by 3.1% to their lowest in two weeks on reports of U.S. President Joe Biden's plans to release more barrels from the Strategic Petroleum Reserve (SPR).

Oil prices were also buoyed as risk sentiment was lifted by upbeat U.S. corporate earnings and rising equity markets.

## Dollar holds near 32-year peak vs yen despite intervention risks, sterling licks wounds

The dollar held close to a 32-year peak versus the yen on Wednesday while edging up from a two-week trough against a basket of major peers, underpinned by the prospect of aggressive U.S. Federal Reserve interest rate hikes.

Sterling consolidated in the middle of its trading range this week following the Bank of England's decision not to sell any longer-duration gilts this year, while denying a Financial Times report that it would delay quantitative tightening. The euro slipped back from near a two-week top.

The dollar pushed as high as 149.395 yen overnight for the first time since August 1990, before last trading at 149.305 in the Asian session.

Traders are on high alert for the Ministry of Finance and Bank of Japan to step into the market again, as the currency pair pushes toward the key psychological barrier at 150. A cross of 145 a month ago spurred the first yen-buying intervention since 1998.

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