MARKET UPDATE

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Asian stocks surge on China recovery bets, smaller Fed rate hikes

Most Asian stock markets rallied on Thursday after the minutes of the Federal Reserve's December meeting pointed to smaller interest rate hikes, while a mild improvement in Chinese business activity ramped up bets on an economic recovery this year.

Chinese stocks were the best performers in the region, with the Shanghai Shenzhen CSI 300 and Shanghai Composite indexes rallying 1.8% and 1.3%, respectively. Hong Kong's Hang Seng index also jumped 0.9%, amid speculation over an imminent border reopening with the mainland.

Data this week showed that China's manufacturing and services sectors remained in contraction through December. But the pace of contraction slowed from November, as the country relaxed strict anti-COVID restrictions, while optimism among businesses over an economic recovery increased greatly.

Broader Asian markets rose tracking gains on Wall Street, as the minutes of the Fed's December meeting showed that policymakers support smaller interest rate hikes in the coming months. But gains were limited, given that policymakers also support keeping interest rates higher for longer, which could again weigh on regional stocks in the long term.

Oil rebounds on weaker dollar

Oil prices rebounded on Thursday amid dollar weakness and as investors emerged to buy dips after two sessions of steep losses, though economic concerns capped recovery.

Brent crude futures had climbed 89 cents, or 1.1%, to $78.73 a barrel by 0740 GMT, while U.S. West Texas Intermediate crude futures rose 87 cents, or 1.2%, to $73.71 a barrel.

Big declines in the previous two days were driven by worries about a potential global recession, especially since short-term economic signs in the world's two biggest oil consumers, the United States and China, appeared shaky. The greenback dropped as low as 130.58 yen that day for the first time since early August as traders speculated about an eventual withdrawal of stimulus.

A summary of opinions from the meeting though, released Wednesday, showed policymakers backing a continuation of ultra-accommodative policy, even as they discussed growing prospects the country could see higher wage growth and sustained inflation next year.

Amazon CEO says job cuts to exceed 18,000 roles

Amazon.com Inc's layoffs will now increase to more than 18,000 roles as part of a workforce reduction it previously disclosed, Chief Executive Andy Jassy said in a public staff note on Wednesday.

The layoff decisions, which Amazon (NASDAQ:AMZN) will communicate starting Jan. 18, will largely impact the company's e-commerce and human-resources organizations, he said.

The cuts amount to 6% of Amazon's roughly 300,000-person corporate workforce and represent a swift turn for a retailer that recently doubled its base pay ceiling to compete more aggressively for talent.

Amazon has more than 1.5 million workers including warehouse staff, making it America's second-largest private employer after Walmart (NYSE:WMT) Inc.

Its stock rose 2% in after-hours trade.

Jassy said in the note that annual planning "has been more difficult given the uncertain economy and that we've hired rapidly over the last several years."

Amazon has braced for likely slower growth as soaring inflation encouraged businesses and consumers to cut back spending and its share price has halved in the past year.

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