

Commodities slip, stocks steady ahead of Fed, BOJ rate decisions

Oil prices hit seven-week lows on Tuesday as a softening demand outlook weighed on commodities, while bond, currency and stock markets traded cautiously ahead of central bank meetings in the U.S. and Japan and a slew of major corporate earnings reports.

Brent crude futures touched \$79.36 as traders focused on worries over Chinese demand rather than tensions in the Middle East or Venezuela, and turned sellers. [O/R]

Copper and iron ore prices fell, and zinc and aluminium slipped to multi-month lows, while there was little by way of support from China's Politburo, which at its July meeting announced no new detailed efforts to boost the economy.

The S&P 500 has steadied after a two-week downturn and futures were flat late in the Asia session.

European futures edged 0.1% higher, with moves kept small by the two-day policy meetings in Washington and Tokyo that loom over markets and wrap up on Wednesday.

Japan's Nikkei, which dropped nearly 6% last week, was 0.1% lower in afternoon trade. MSCI's broadest index of Asia-Pacific shares outside Japan fell 0.4%.

A couple of individual stock moves were eye-catching, with a discounted block-sale dragging iron ore miner Fortescue down more than 9% in Australia. Shares of Standard Chartered (OTC:SCBFF) rose 5% in Hong Kong after the lender lifted its earnings outlook and announced a \$1.5 billion share buyback plan.

All eyes were on interest rates. Japanese government bond yields edged lower with the 10-year JGB yield down 2.5 basis points at 1%. Ten-year U.S. Treasury yields were steady at 4.186%. [JP/][US/]

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