

BUSINESS & FINANCIAL OVERVIEW

Asian stocks rise after report of outline to end U.S.-China trade war

Asian stock markets shook off early doldrums Thursday following a report that U.S. and Chinese negotiators were outlining a plan to end the trade war.

Tokyo's Nikkei 225 index NIK, +0.46% rose 0.3% despite a gauge of manufacturing activity falling to a three-year low, suggesting Japanese economic growth is slowing. The Shanghai Composite Index SHCOMP, +0.36% advanced 0.3%. Sydney's S&P-ASX 200 XJO, +0.71% added 0.7% while Hong Kong's Hang Seng HSI, +0.53% gained 0.5%. Seoul's Kospi SEU, -0.05% was unchanged. Benchmarks in New Zealand NZ50GR, +0.56% and Taiwan Y9999, +0.29% advanced along with Southeast Asian markets.

Among individual stocks, Rakuten 4755, +5.50% and Honda 7267, +2.37% advanced in Tokyo trading, and Hyundai Motor gained in Seoul 005380, +1.68%. Lenovo 0992, +11.41%, Sunny Optical 2382, +4.61% and AAC 2018, +3.57% surged in Hong Kong, while HSBC 0005, -1.59% slid. Bank stocks such as ANZ Banking ANZ, +1.71% and Commonwealth Bank CBA, +1.76% rose in Australia.

Investors appeared encouraged by a Reuters report that said the U.S. and China had sketched outlines of agreements in principle in six key areas, including cyber theft, intellectual property rights and forced technology transfer. U.S. stock market futures jumped immediately after the report, with Dow futures YM9, +0.40% up more than 100 points. Earlier, a U.S. envoy said a meeting in Beijing last week "made headway." President Donald Trump told reporters Tuesday the talks were "going very well." Trump has suggested he might postpone the tariff hike on \$200 billion of goods but made no firm commitment.

The U.S. Federal Reserve reassured investors by releasing minutes of its latest meeting saying, as expected, it will be patient with interest rate hikes amid economic uncertainty.

Lack of details in the Fed's report "leaves the region to await further US-China developments," said Jingyi Pan of IG in a report. After markets rose on Trump's positive comments, she said, "one should not be surprised" to see more gains.

The benchmark Standard & Poor's 500 index SPX, +0.18% gained 0.2% to 2,784.70. The Dow Jones Industrial Average DJIA, +0.24% added 0.2% to 25,954.44. The Nasdaq composite COMP, +0.03% rose 0.03% to 7,489.07.

In Japan, the preliminary reading on a monthly purchasing managers' index fell to 48.5 on a 100-point scale from January's 50.3. It was the second unusually large monthly decline and the PMI's lowest level since October 2016. "Such large falls are rare and suggest that the economy is losing momentum rapidly," said Marcel Thieliant of Capital Economics in a report.

Benchmark U.S. crude CLH9, +1.44% lost 8 cents to \$57.24 per barrel in electronic trading on the New York Mercantile Exchange. The contract gained 71 cents on Wednesday to \$57.16. Brent LCOJ9, +0.25% used to price international oils, advanced 2 cents to \$67.10 per barrel in London. It gained 63 cents the previous session to \$67.08.

