

**BUSINESS & FINANCIAL OVERVIEW**

## Asian markets pull back as U.S.-China trade talks resume

Asian stocks were mostly lower on Thursday as China and the U.S. kicked off two days of trade negotiations in Beijing. Regional indexes have advanced for three straight days on hopes that both sides will make headway on big issues like Beijing's technology policy.

Hong Kong's Hang Seng HSI, -0.37% gave up 0.6%. Australia's S&P/ASX 200 XJO, +0.01% gained 0.1% and the Kospi SEU, -0.15% in South Korea lost 0.5%. The Shanghai Composite index SHCOMP, -0.32% eased 0.3% while the smaller-cap Shenzhen Composite 399106, +0.13% rose slightly.

Japan's benchmark Nikkei 225 NIK, +0.13% gained 0.1% after preliminary data showed that its economy had expanded by 1.4% in 2018's fourth quarter, helped by strong domestic demand. This was a vast improvement from a broad contraction in the previous quarter. Shares rose in Taiwan Y9999, +0.17% but fell in Singapore STI, -0.11% .

Among individual stocks, oil company Inpex 1605, -3.37% fell after surging Wednesday in Tokyo trading. Fast Retailing 9983, +1.06% and Sony 6758, +0.96% advanced. In Hong Kong, tech companies such as AAC 2018, -3.02% , Sunny Optical 2382, -6.43% and Tencent 0700, -1.21% sank. Steel maker Posco 005490, -1.87% fell in Korea, as did Hyundai Motors 005380, -3.21% . Australian bank stocks declined, while mining companies such as BHP BHP, +1.55% and Fortescue Metals FMG, +1.77% advanced.

"For Asia markets, the exhaustion of the positive sentiment that powered U.S. markets overnight looks to invite the region to tread water in the session," Jingyi Pan of IG said in a commentary.

News that Chinese and American officials planned to hold further talks in Beijing has fueled trading in Asia and beyond. A tariffs truce, which was put in place by Chinese leader Xi Jinping and President Donald Trump in December, will expire soon. On March 2, the U.S. is expected to more than double import taxes on \$200 billion in Chinese goods.

Trump has hinted that he might hold off on these tariffs if enough progress was made at the talks. On Wednesday, he told reporters that discussions were "going along very well."

Chinese trade data showed exports unexpectedly rose more than 9% in January after contracting 4.4% in December, easing worries that the world's no. 2 economy was slowing.

U.S. stocks edged higher Wednesday on hopes that negotiators will come close to a deal after trade talks. Energy companies, retailers and industrial stocks climbed. The S&P 500 SPX, +0.30% added 0.3% to 2,753.03 and the Dow Jones Industrial Average DJIA, +0.46% was up 0.5% at 25,543.27. The Nasdaq composite COMP, +0.08% rose 0.1% to 7,420.38.

U.S. crude CLJ9, +0.46% rose 15 cents to \$54.05 per barrel in electronic trading on the New York Mercantile Exchange. It picked up 80 cents to settle at \$53.90 per barrel in New York. Brent crude LCOJ9, +0.58% , used to price international oils, gained 16 cents to \$63.77 per barrel. It added \$1.19 close at \$63.61 per barrel in London.

