

BUSINESS & FINANCIAL OVERVIEW

Stocks May Come Under Pressure On Economic Worries - U.S.

After closing mixed for two consecutive sessions, stocks are likely to come under pressure in early trading on Thursday. The major index futures are currently pointing to a lower open for the markets, with the Dow futures down by 96 points. The downward momentum on Wall Street comes as traders continue to react to the Federal Reserve's monetary policy announcement on Wednesday.

Traders initially reacted positively to the dovish tone of the Fed announcement, with the central bank indicating it no longer expects to raise interest rates this year. Negative sentiment has crept in since then, however, as investors recognize the Fed's downwardly revised interest rate forecast reflects expectations of slower economic growth.

In his post-meeting press conference, Fed Chairman Jerome Powell warned about the negative impact slowing economic growth in Europe and China will have on the U.S. Renewed uncertainty about the potential for a U.S.-China trade deal may also weigh on the markets along with lingering concerns about Brexit.

Meanwhile, the Labor Department recently released a report showing a bigger than expected drop in initial jobless claims in the week ended March 16th. The report said initial jobless claims dropped to 221,000, a decrease of 9,000 from the previous week's revised level of 230,000.

Economists had expected jobless claims to dip to 225,000 from the 229,000 originally reported for the previous week.

A separate report from the Philadelphia Federal Reserve showed regional manufacturing activity rebounded more than expected in March after an unexpected contraction in February.

Shortly after the start of trading, the Conference Board is scheduled to release its report on leading economic indicators in the month of February. The leading economic index is expected to inch up by 0.1 percent.

Stocks saw typical volatility following the announcement of the Federal Reserve's latest monetary policy decision on Wednesday. The major averages showed wild swings before ending the day on opposite sides of the unchanged line.

While the Nasdaq inched up 5.02 points or 0.1 percent to a new five-month closing high of 7,728.97, the Dow dropped 141.71 points or 0.6 percent to 25,745.67 and the S&P 500 fell 8.34 points or 0.3 percent to 2,824.23.

In overseas trading, stock markets across the Asia-Pacific region moved mostly higher on Thursday, although the Japanese markets were closed for holiday. China's Shanghai Composite Index and South Korea's Kospi both rose by 0.4 percent.

