

# Global stocks push higher after Fed's Powell reassures

Global markets rose on Monday as fairly dovish comments from U.S. Federal Reserve Chairman Jerome Powell helped reassure investors that the central bank is not planning to accelerate its interest rate increases next year.

**KEEPING SCORE:** In Europe, Germany's DAX was up 0.5 percent to 12,456 while the CAC 40 in France was 0.4 percent higher at 5,454. British markets were closed for a summer bank holiday. Major U.S. indexes were set to open higher with Dow futures and the broader S&P 500 futures up 0.3 percent. On Friday, the S&P closed at an all-time high, with sentiment boosted by a string of solid corporate earnings.

**DOVISH FED:** U.S. Federal Reserve Chairman Jerome Powell sketched a positive picture of the U.S. economy on Friday and said the Fed's incremental approach to raising rates has so far succeeded. "The economy is strong. Inflation is near our 2 percent objective, and most people who want a job are finding one. We are setting policy to do what monetary policy can do to support continued growth, a strong labor market and inflation near 2 percent," Powell said, at an annual conference of central bankers in Jackson Hole, Wyoming. The chairman's measured tone about the economy and his message that the Fed plans to stick with a gradual pace of rate hikes appeared to sit well with investors.

**ANALYST TAKE:** The message from Wyoming wasn't unexpected but it does help risk assets," said Kit Juckes, a strategist at Societe Generale.

**TRADE TENSIONS:** Trade issues also remain at the forefront of investors' attention. The United States and China have imposed 25 percent tariffs on \$16 billion of each other's goods including automobiles, factory equipment and other goods. Last Thursday, U.S. and Chinese negotiators ended two days of meetings without breaking a deadlock over trade that has unnerved financial markets and disrupted global commerce. Lindsay Walters, a White House spokeswoman, said the delegations exchanged views on achieving a balanced economic relationship, without mentioning further talks. China's Commerce Ministry said the talks were constructive and the sides would maintain contact, but didn't give details.

ASIA'S DAY: Japan's benchmark Nikkei 225 index added 0.9 percent to 22,799.64 and South Korea's Kospi rose 0.3 percent to 2,299.30. Hong Kong's Hang Seng jumped 2.2 percent to 28,271.27. The Shanghai Composite rebounded 1.9 percent to 2,780.90. Australia's S&P/ASX 200 gained 0.3 percent to 6,268.87. Taiwan's benchmark rose and Southeast Asian indexes were mostly higher.

ENERGY: Benchmark U.S. crude dropped 2 cents to \$68.70 a barrel in electronic trading on the New York Mercantile Exchange. Brent crude, which is used to price international oils, also fell 2 cents to trade at \$75.80 a barrel in London.

CURRENCIES: The euro was steady at \$1.1627 while the dollar fell 0.2 percent to 111.01 yen.

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Source: <https://www.foxbusiness.com/markets/global-stocks-push-higher-after-fed-s-powell-reassures>

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