

## Asia Stocks Surpass 2007 Peak in Global Rally: Markets Wrap

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21 novembre 2017, 23:14 CET

Updated on 22 novembre 2017, 07:05 CET

- Hong Kong's Hang Seng Index rises above 30,000 to decade-high
- Won at two-year high; Mexican peso gains on NAFTA progress

Asian Stocks headed for a record close, buoyed by fresh all-time highs for U.S. equities with investors energized by the outlook for profits and tax reform. Hong Kong's Hang Seng Index breached the 30,000 level to climb to the highest in a decade before slipping back.

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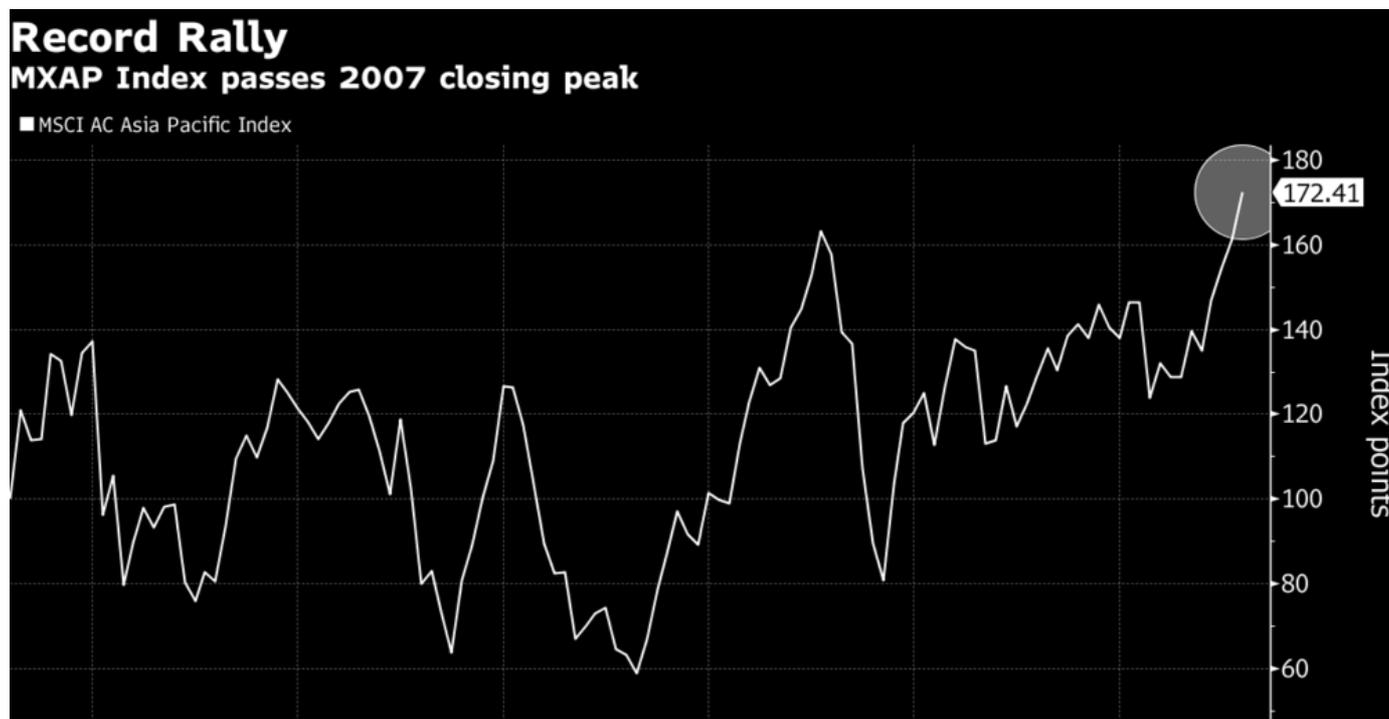
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The MSCI Asia Pacific Index broke through its 2007 peak, with shares higher from Tokyo to Sydney. All major American benchmark equity indexes reached all-time highs on Tuesday and Goldman Sachs Group Inc. lifted its forecast for U.S. stock gains in 2018, saying strong economic growth and tax reform will improve corporate earnings. The Korean won jumped to its highest in more than two years. The dollar maintained losses as the Treasury yield curve flattened further amid a global sovereign-bond rally. Oil headed for its highest close in more than two years.



1990-1994	1995-1999	2000-2004	2005-2009	2010-2014	2015-2019
Source: MSCI Inc.					Bloomberg

While the Thanksgiving holiday gives traders an excuse to pause, global stocks are adding to what's been a stellar year for equity returns amid optimism about global growth and company earnings. The bond market has been showing fixed-income traders are more concerned that the U.S. economy may slow with the gap between the yield on longer dated Treasuries and shorter-term bonds narrowing <https://www.bloomberg.com/news/articles/2017-11-21/people-are-suddenly-worried-about-the-yield-curve-flattening> to levels not seen for 10 years.

"The earnings picture is dominant and that's of course what has, and will continue, to move markets," Bob Doll, chief equity strategist at Nuveen Asset Management, told Bloomberg TV. "Icing on the cake is the tax bill and that does boost earnings but a lot of people are already baking that into their assumption."

The Australian dollar briefly rose as high as 75.96 U.S. cents after data on completed construction work in the third quarter surprised on the upside, jumping 15.7 percent from the previous quarter, beating estimates of a 2.3 percent drop.

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Here are some key events coming up this week:

- Minutes from the European Central Bank's October meeting due on Thursday could show dissent in the discussion about tapering.
- In Asia, Singapore 3Q GDP is due on Thursday. New Zealand October trade and South Korea November consumer confidence are due later in the week.
- Reports on sales of previously owned homes and durable goods orders for October are due in the U.S.
- The minutes from the Fed's latest policy meeting are out on Wednesday.
- The U.K. announces its budget Wednesday.

These are the main moves in markets:

## Stocks

- Japan's Topix index was up 0.3 percent at the close. The Nikkei 225 Stock Average climbed 0.5 percent.
- Australia's S&P/ASX 200 Index rose 0.4 percent.
- South Korea's Kospi index added 0.4 percent.
- The Hang Seng Index jumped 0.6 percent as Tencent Holdings Ltd. extended a rally and Chinese financial shares climbed. The Shanghai Composite Index gained 0.3 percent.
- S&P 500 Index contracts were little changed. The underlying measure climbed 0.7 percent.
- The MSCI Asia Pacific Index advanced 0.5 percent. The MSCI Emerging Market Index extended a rally that took it to the highest in more than six years.

## Currencies

- The Bloomberg Dollar Spot Index was little changed.
- The yen was at 112.18 per dollar, up 0.2 percent.
- The Korean won rose 0.5 percent to 1,090.84 per dollar after climbing to 1,089.43, the highest since May 2015, on increased appetite for the nation's equities. Foreign-exchange authorities say they are watching its ascent closely. Read more [here](#).
- The Aussie dollar fell 0.2 percent to 75.62 U.S. cents.
- The euro was steady at \$1.1742.
- The pound was little changed at \$1.3253.
- The Mexican peso was at 18.8034 per dollar after jumping 1.2 percent to hit a five-week high. Juan Pablo Castanon, head of Mexico's business chamber, said in an interview that negotiators were close to finishing work on telecom, energy and digital commerce provisions of Nafta.

## Bonds

- The yield on 10-year Treasuries was steady at 2.35 percent.

- Australia's 10-year yield fell two basis points to 2.52 percent.

## Commodities

- West Texas Intermediate crude climbed 1.6 percent to \$57.70 a barrel, headed for its highest close since June 2015. An industry report was said to show inventories of U.S. crude declined for the first time in three weeks.
- Gold was steady at \$1,281.77 an ounce.

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