

Markets**Iron ore rally lifts mining stocks**

Commodity hits 4 month high after upbeat China data, helping FTSE 100 outperform



An excavator digs for iron ore mining in Gubkin, Russia © Bloomberg

20 MINUTES AGO by: Michael Hunter in London and Hudson Lockett in Hong Kong

Monday 08.15 BST**What you need to know**

- Iron ore prices hit a four-month high on China construction data
- Mining stocks rally, helping London's FTSE 100 outperform
- Euro slips from highs as wider dollar rally cools
- Yen firms past ¥111 per dollar mark on industrial output recovery
- Crude oil prices rise with Brent pushing further above \$52 a barrel

Leading quote

“Chinese construction data has helped get the week off to a good start, but expect a truncated week for risk taking . . . with a run up in risky assets and then some measure of caution just ahead of US payrolls data due on Friday,” says Koon Chow, strategist at UBP.

“US inflation data will be important today, in particular the core personal consumption expenditures measure that the Federal Reserve watches closely — and if this remains muted then I think global risk appetite will remain very strong.”

Hot topic

Mining stocks are higher after iron ore prices jumped to their highest level in almost four months in China after [upbeat data](#) from the country's construction sector.

The price of a futures contract for one metric tonne of iron ore on China's Dalian Commodity Exchange rose as much as 8 per cent on Monday to Rmb570.5, the highest level in nearly four months.

Mining stocks are rallying on the FTSE 100 in London, helping it rise 0.6 per cent. Antofagasta is prominent on the leaderboard, alongside Anglo American, with both stocks up 2.2 per cent. The sector also dominated Australia's ASX 200, where Fortescue Metals made the biggest single gain, up 5.9 per cent and BHP Billiton's stocks hit a 5 month high, up 2.3 per cent.



Equities

The Euro Stoxx 600 is up 0.2 per cent with strength among financial stocks after news of a \$2bn share buyback from HSBC.

Frankfurt's Xetra Dax 30 is flat, with the CAC 40 in Paris up 0.2 per cent.

Asia-Pacific equities are broadly higher, with Hong Kong's Hang Seng index up 0.5 per cent, bolstered by gains in the financial sector.

In Tokyo the Topix was up 0.2 per cent after a jumpy morning, with a 1 per cent rise from materials helping offset a drop of 0.8 per cent in the consumer staples segment.

Forex and fixed income

The dollar is finding support, after hitting some of its lowest levels in over a year last week. The index tracking the world's reserve currency against a basket of its rivals is up 0.2 per cent at 93.473. It's nadir last week took it to 93.152.

The euro is 0.2 per cent weaker at \$1.1728, moving away from last week's intraday high of \$1.1776, a level last touched in February 2015.



Japan's yen strengthened past the ¥111 mark in the morning session to ¥110.51 per dollar, near its firmest in six weeks after data showed industrial production climbing back into expansionary territory in July.

The Australian dollar was hovering below the \$0.80 mark at \$0.7978 after dipping as much as 0.4 per cent on word that issuance of building permits in Australia shrank in June.

The Canadian dollar is under some of the most pressure among major currencies, weakening to just shy of the C\$1.25 per US dollar mark, after a long run higher last week leaves it looking tired.



The yield, which moves inversely to price, on 10-year US Treasuries is down 1 basis point at 2.282 per cent.

Commodities

Oil is consolidating gains from late on Friday. Brent crude, the international benchmark, is pushing further above the \$52 a barrel mark to \$52.82, up 0.7 per cent. West Texas Intermediate, the US marker, is up 0.5 per cent at \$49.96.

For market updates and comment follow us on Twitter [@FTMarkets](https://twitter.com/FTMarkets)

[Copyright](#) The Financial Times Limited 2017. All rights reserved. You may share using our article tools. Please don't copy articles from FT.com and redistribute by email or post to the web.