

DOW JONES, A NEWS CORP COMPANY

Stoxx 600 **376.89** 0.42% ▲Nikkei **22604.61** -0.27% ▼U.S. 10 Yr **4/32 Yield** 2.965% ▲Crude Oil **69.59** 0.49% ▲Euro **1.1592** -0.12% ▼

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.

<https://www.wsj.com/articles/trade-concerns-weigh-on-global-stocks-1536739873>

U.S. MARKETS

Oil Prices Lift Stocks Despite Lingering Trade Concerns

Slowing growth and the continuing trade spat have driven stocks down in Europe and Asia

By Christopher Whittall

Sept. 12, 2018 4:11 a.m. ET

Stocks in Europe edged higher but Asian markets fell on Wednesday, as trade concerns lingered, weighing on investor sentiment.

The Stoxx Europe 600 was up 0.3% in early trading, led by gains in energy companies following a bump in oil prices. Shares in the Asia-Pacific region mostly headed lower.

Futures pointed to a flat opening for the S&P 500 a day after a jump in energy stocks sent the blue-chip index higher.

Concerns over the impact of an escalating trade conflict between the world's two largest economies have pressured overseas markets. Reports Tuesday that China will ask the World Trade Organization for permission to impose sanctions on the U.S. rattled investors, and comes days after President Trump said he was prepared to impose a third round of tariffs on \$267 billion of Chinese goods.

"There's quite a lot more macro uncertainty, and a lot that has to do with the trade war fears," said Isabelle Mateos y Lago, chief multiasset strategist at BlackRock. "It's not an environment in which many people are enthusiastic about taking risk."

Ms. Mateos y Lago said she favors U.S. equities currently, adding that U.S. companies have "more dynamic earnings [and] more dynamic sales growth."



A humming U.S. economy has helped stave off deeper losses among shares of American companies, but markets in Europe and Asia haven't been so fortunate. PHOTO: MICHAEL NAGLE/BLOOMBERG NEWS

Robust U.S. growth and corporate earnings have helped buoy U.S. stocks this year, even as many of the more export-orientated markets in Europe and Asia have struggled amid selloffs driven by trade tensions and concerns over the resilience of developing economies. The S&P 500 is up 8% this year, while the Stoxx Europe 600 is down 3.3% and Japan's Nikkei Stock Average has fallen 0.7%.

Higher energy prices helped provide some upward momentum for European stocks Wednesday, with the Stoxx Europe 600 oil & gas subindex rising 1.2%. Brent crude oil was up 0.3% at \$79.29 a barrel, building on sharp gains after forecasts that U.S. crude oil inventories could remain relatively low and amid turmoil in Libya.

Hong Kong's Hang Seng Index continued to slide, declining 0.3%, after entering bear market territory—commonly defined as a drop of 20% from a recent high. China's Shanghai Composite fell 0.4%, taking year-to-date losses to almost 20%. The Nikkei Stock Average was down 0.3%.

The WSJ Dollar Index, which measures the greenback against a basket of 16 currencies, rose 0.2%. A stronger dollar has been another factor weighing on emerging markets recently, pressuring foreign governments and companies that have borrowed in dollars.

The yield on the 10-year Treasury note declined to 2.969%, according to Tradeweb, from 2.979% on Tuesday. Bond investors will be looking ahead to meetings from the European Central Bank and Bank of England on Thursday, where officials are expected to keep rate changes on hold. Emerging-market investors will be watching if Turkey's central bank raises interest rates to rein in inflation amid the collapse of the lira.

Elsewhere, gold prices declined 0.3% to \$1198.60 an ounce.

Write to Christopher Whittall at christopher.whittall@wsj.com

Copyright ©2017 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.