

# Stocks Roar Back, Bonds Fall as Trade Angst Ebbs: Markets Wrap

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- Signs emerged over weekend that U.S. may seek deals with China
- Facebook shares drop; dollar slips as euro rallies with pound

U.S. equities rallied back from the biggest weekly rout in more than two years, with major benchmarks surging the most since early February on signs that an escalation of trade tensions was beginning to ease.

Technology firms and banks were among the biggest gainers on the S&P 500 Index as a measure of the gauge's valuation rose from a two-year low. Facebook Inc. bucked the trend as its decline from the latest data fiasco topped 15 percent. Ten-year Treasury yields climbed ahead of major debt sales. The dollar dropped to a one-month low and the yen slipped from the strongest in more than 16 months as investors moved out of haven assets.



The worst global stocks rout since early February appears to be giving way to a more optimistic mood this week as the limits of the Trump administration's willingness to embrace protectionism came into view. Treasury Secretary Steven Mnuchin told Fox News that he's "cautiously hopeful" <<https://www.bloomberg.com/politics/articles/2018-03-25/mnuchin-cautiously-hopeful-china-trade-deal-can-be-reached>> that China will reach a deal to avoid tariffs on \$50 billion of U.S. exports, while European leaders demanded <<https://www.bloomberg.com/politics/articles/2018-03-23/europe-demands-permanent-waiver-from-u-s-metal-import-tariffs>> a permanent exclusion at the threat of retaliation and a deal was struck <<https://www.bloomberg.com/politics/articles/2018-03-25/south-korea-says-agreement-made-with-u-s-on-trade-deal-tariffs>> with South Korea.

The Trump administration tends "to negotiate to a more reasonable position, or more toward the center, as time goes on," Maggie Gage, the head of Washington research at Credit Suisse Securities, said in an interview on Bloomberg Television. "We're cautiously optimistic that that will apply here too with the Chinese tariffs."

Elsewhere Brent crude held above \$70 a barrel on lingering tension <<https://www.bloomberg.com/news/articles/2018-03-26/oil-extends-rally-as-saudis-intercept-missiles-fired-from-yemen>> in the Middle East. China started <<https://www.bloomberg.com/news/articles/2018-03-26/china-s-first-ever-yuan-oil-futures-begin-trading-in-shanghai>> its first ever crude-futures contract, denominated in yuan on the Shanghai International Energy Exchange.

Here's a list of of the main events coming up this week:

- U.S. personal income and spending data for February are due to be released on Thursday.
- The big four euro-area economies are due to release March CPI readings.
- The U.S. Treasury will probably auction about \$294 billion of bills and notes this week, its largest slate of supply ever.

Terminal users can read more in our markets live blog.

And these are the main moves in markets:

## Stocks

- The S&P 500 Index rose 1.6 percent as of 10:18 a.m. in New York.
- The Stoxx Europe 600 Index fell 0.3 percent.
- The MSCI All-Country World Index rose 1 percent.
- The MSCI Asia Pacific Index rose 0.5 percent, the largest advance in two weeks.

## Currencies

- The Bloomberg Dollar Spot Index declined 0.3 percent to the lowest in five weeks.
- The euro climbed 0.7 percent to \$1.244, the strongest in a month.
- The British pound jumped 0.5 percent to \$1.4197, the strongest since Feb. 1.
- The Japanese yen fell 0.4 percent to 105.15 per dollar.

## Bonds

- The yield on 10-year Treasuries climbed two basis points to 2.83 percent.
- Germany's 10-year yield gained one basis point to 0.53 percent.
- Britain's 10-year yield rose one basis point to 1.45 percent.

## Commodities

- Gold climbed 0.3 percent to \$1,360.30 an ounce, the highest in more than five weeks.
- Brent crude declined 0.6 percent to \$70.05 a barrel.

- Copper futures fell 0.2 percent to \$2.988 a pound.

— *With assistance by Nancy Moran, Adam Haigh, Chris Anstey, Eddie Van Der Walt, Samuel Potter, and Andrew Cinko*

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