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<https://blogs.wsj.com/moneybeat/2018/08/30/wsj-city-argentina-launches-dramatic-rate-hike-as-fresh-stress-grips-weakest-emerging-market-currencies/>

MONEYBEAT

WSJ City: Argentina Launches Dramatic Rate Hike as Fresh Stress Grips Weakest EM Currencies

Trader Michael Milano works on the floor of the New York Stock Exchange, Friday, Aug. 10, 2018. S PHOTO: AP PHOTO/RICHARD DREW

Aug 30, 2018 11:37 am ET

MUST READS FROM WSJ CITY

The Argentine peso hit a record low and the Turkish lira resumed its slide as the emerging markets most vulnerable to a rising dollar came under renewed strain. In a sign of the acute stress, Argentina's central bank hiked its main interest rate by a full 15 percentage points, from 45% to 60%, citing weakness in the peso.

Wells Fargo has fired or suspended more than a dozen employees in its investment bank and is investigating dozens of others over alleged violations of the company's expense policy regarding after-hours meals, according to people familiar with the matter.

This week's US-Mexico trade deal now faces scrutiny from lawmakers who must ultimately ratify the agreement. The early conclusion: Mexican lawmakers will clear the pact with little trouble, while the US Congress remains wary, especially if Canada doesn't join soon.

Japan is studying restrictions on Chinese telecommunications-equipment companies Huawei Technologies and ZTE as US fears of cyberspying by Beijing prompt allies to follow suit.

Soaring profits at smaller publicly traded companies are driving the Russell 2000 to new records as investors bet US economic strength will boost smaller companies while trade frictions hit their multinational counterparts.

Campbell Soup plans to sell its international operations and refrigerated-foods business, abandoning efforts to become a more fresh-oriented company and leaving the door open to a full sale. That may not be enough to appease activist investor Daniel Loeb of Third Point and George Strawbridge Jr., who together are urging a full sale.

Banks already contending with sputtering loan growth won't get much help from mortgages as the US housing market shows signs of cooling, *Aaron Back writes for Heard on the*

Street. Evidence is stacking up that residential real estate has at least hit a soft patch.

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MARKETS TODAY

Emerging market currencies suffered another torrid day, rattled by a 7.5% overnight fall in the Argentine peso after President Macri said he had asked the IMF to speed up delivery of a \$50 billion bailout. The peso was recently 14% lower against the dollar, falling further after the country's central bank raised interest rates by 15 percentage points to curb the currency's decline.

Turkey's lira shed 4% against the greenback, the South African rand fell more than 2%, while the Indonesian rupiah hit its lowest level in nearly three years against the dollar. The Brazilian real was close to a more than two-year low and India's rupee hit a record low.

US equity markets moved lower, with stocks around the world edging down after gains in technology companies has helped lift the S&P 500, Nasdaq Composite and Russell 2000 to record highs.

The Stoxx Europe 600 closed 0.3% lower, weighed by banking and telecoms shares.

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