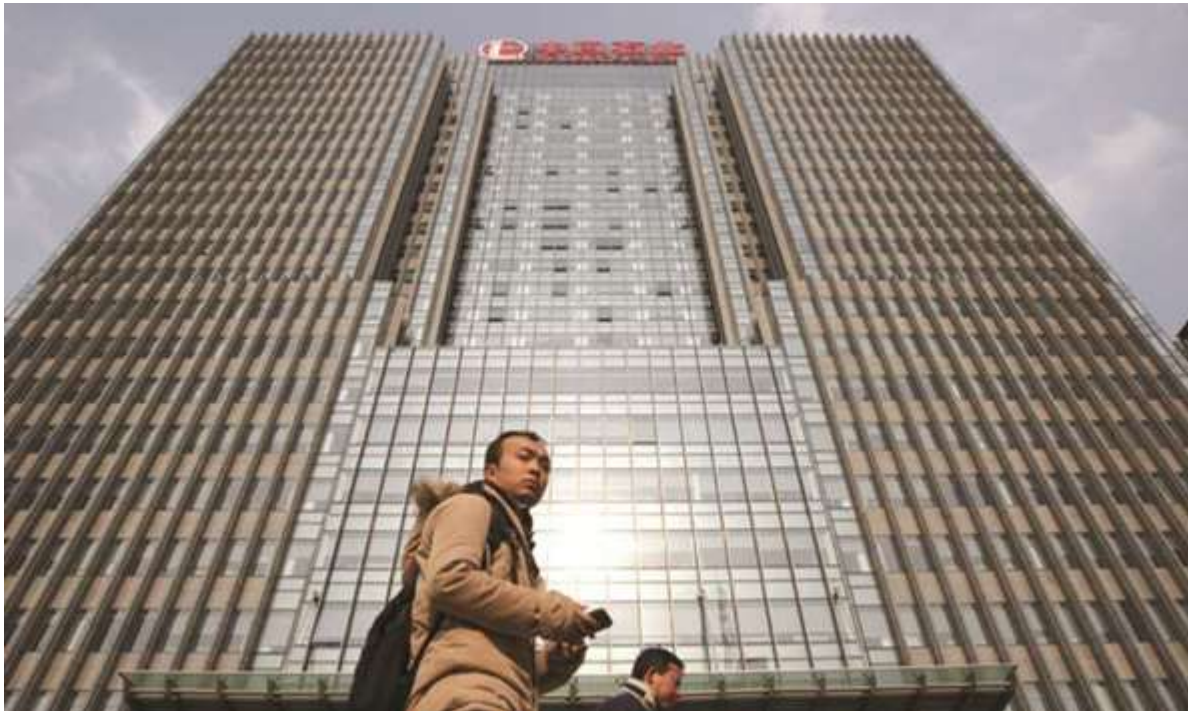


# Energy firms surge on Asia bourses as oil prices rise



AFP Hong Kong

Most Asian markets rose yesterday, with energy firms surging along with oil prices, as traders await the conclusion of a key Federal Reserve policy meeting.

While worries about the China-US trade row continue to erode confidence, the strong US economy and healthy corporate outlook are providing some buoyancy for now.

The weekend decision by major producers from inside and outside Opec to maintain crude output – despite Donald Trump’s call for lower prices – has sent both main contracts sharply higher this week. Trump hit out at Opec in his United Nations General Assembly speech on Tuesday, accusing it of “ripping off the rest of the world”.

Brent is sitting around four-year highs and WTI is heading close to that mark, with a stronger dollar and an expected output cut from Iran caused by US sanctions adding some lift.

“Oil prices remain in the bulls’ domain amid concern that US sanctions on Iranian crude oil exports will result in much

tighter physical market conditions once they take effect in November,” said Stephen Innes, head of Asia-Pacific trading at OANDA.

The two contracts edged up yesterday after losses the previous day that come on the back of a surprise gain in US stockpiles. Energy firms shot sharply higher in Asia. CN00C added 4.4% and PetroChina piled on almost 5% in Hong Kong, while Sinopec jumped 2.4%. Inpex of Japan put on 2% and Australia’s Woodside Petroleum added 1.5%.

The gains boosted broader markets. Hong Kong jumped 1.2% and Shanghai ended 0.9% higher. Mainland Chinese traders were also cheered by news that global equities index compiler MSCI is considering quadrupling the weighting of Chinese large-cap shares in its benchmark Emerging Markets Index over the next two years.

Tokyo closed 0.4% stronger, Sydney rose 0.1% and Singapore put on 0.7%, with Bangkok and Jakarta also up.

But Taipei and Wellington were flat while Manila and Mumbai fell.

With the Fed widely expected to raise interest rates, governor Jerome Powell’s post-meeting statement will be closely watched for clues about its next move, with an eye on the increasingly bitter China-US trade dispute. “The US domestic economy is trotting along nicely; the rest of the world is not in the same place and there’s no doubt that global investor caution is continuing to increase as the trade war between the US and China appears to be heating up,” Nick Twidale, chief operating officer at Rakuten Securities Australia, said in a note. “Analysts will be watching closely to see if the Fed acknowledges this and its potential impact on the US.” In Tokyo, Nikkei 225 closed up 0.4% to 24,033.79 points; Hong Kong – Hang Seng ended up 1.2% to 27,816.87 points and Shanghai – Composite closed up 0.9% to 2,806.81 points yesterday.