

# European, US equities retreat

● The rebound in the Turkish lira has been cut short

● Turkey vowed to respond to new sanctions

● Asian stocks rallied after a positive lead from Wall Street

AFP | London, United Kingdom

European and US stock markets moved lower Friday on investor concerns over Turkey and the ongoing trade war between China and the United States.

Asian stocks however rallied after a positive lead from Wall Street overnight, with dealers cautiously optimistic about upcoming US-China trade talks -- although worries festered over the future for emerging markets as a whole.

The rebound in the Turkish lira has been cut short by new threats by Ankara and Washington to impose more sanctions as the dispute over a jailed American pastor shows no sign of being resolved.

"Global trade worries have not disappeared ... as market participants prefer to regroup and strategize in this unorthodox US trade and foreign policy environment," said OANDA analyst Dean Popplewell.

"Emerging market worries are not going away any time soon."

## Further volatility ahead?

In Europe, London stocks were down 0.4 percent in afternoon trading, with Paris dropping 0.5



Traders work on the floor at the closing bell of the Dow Industrial Average at the New York Stock Exchange

## Key figures around 1530 GMT

New York - Dow Jones	▲ 0.1 percent at 25,595.00 points
London - FTSE 100	▲ 0.03 percent at 7,558.59 (close)
Frankfurt - DAX 30	▼ 0.2 percent at 12,210.55 (close)
Paris - CAC 40	▼ 0.08 percent at 5,344.92 (close)
EURO STOXX 50	▼ 0.2 percent at 3,371.30
Dollar/Turkish lira	▲ at 6.0926 lira from 5.8341 lira
Euro/Turkish lira	▲ at 6.9652 lira from 6.6438 lira
Euro/dollar	▲ at \$1.1411 from \$1.1377
Pound/dollar	▲ at \$1.2732 from \$1.2716
Dollar/yen	▼ at 110.49 from 110.90 yen
Tokyo - Nikkei 225	▲ 0.35 percent at 22,270.38 (close)
Hong Kong - Hang Seng	▲ 0.4 percent at 27,213.41 (close)
Shanghai - Composite	▼ 1.34 percent at 2,668.97 (close)

percent and Frankfurt shed 0.7 percent. Wall Street opened lower, with the Dow slipping 0.05 percent in the first minute of trading. "For now, the possibility of a Sino-US trade deal has brought some calm to the market -- but

trade and currency wars remain," said Popplewell.

Negotiators from Washington and Beijing will meet later this month for the first publicly announced dialogue in weeks on their bitter trade dispute, which has seen both sides impose reciprocal tariffs on goods worth \$34 billion.

The news helped global markets regain composure after several days of volatility sparked by fears that Turkey's financial crisis could infect other economies. "Markets are optimistic but remain wary," said EXPro analyst Alexander Kuptsikevich.

"It is worth noting that the status of officials involved in the (US-China) negotiations is not very high, which eliminates the possibility of breakthrough decisions in the near future."



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Tit-for-tat tariffs by the US and China on another \$16 billion of each other's goods are due to kick in next week, and President Donald Trump has threatened to go after even more Chinese imports in the future.

## Lira 'not out of woods yet'

Meanwhile, most commentators do not expect that the end is in sight to the Turkish currency saga.

"Concerns over the China-US trade dispute and the state of the Turkish lira remain undispelled," said City Index analyst Fiona Cincotta. While the Turkish lira had clawed back most of its losses on Friday and Monday, after shedding 20 percent of its value against the dollar, it began falling again on the new sanctions threats, dropping by five percent.

## China punishes ratings agency

Reuters | Shanghai

One of China's biggest debt rating agencies has been punished by the securities regulator and a supervisory group under the central bank, in a rare rebuke that underscores Beijing's concern about credit risks at a time of slowing economic growth.

Dagong responded to the authorities' latest moves by apologizing for its risk management problems and said it would rectify its operations, according to a statement on its website [www.dagongcredit.com](http://www.dagongcredit.com)

The China Securities Regulatory Commission (CSRC) said on Friday it would ban Dagong Global Credit Rating Co Ltd, one of the country's four big bond rating companies, from taking on new securities rating business for a year, and forbade it from replacing senior management during that period.

## Netanyahu questioned again

Jerusalem

Israeli police questioned Prime Minister Benjamin Netanyahu on Friday over a case involving the country's largest telecoms firm, one of three corruption investigations in which he has been named as a suspect.

He has denied wrongdoing in all three.

Authorities allege Netanyahu awarded regulatory favours to Bezeq Telecom Israel in return for more positive coverage of him and his wife on a news website owned by the company.

Netanyahu, a conservative serving his fourth term as premier, said through a spokesman after around four hours of questioning that he was certain the probe, known as Case 4000, "has finally collapsed".

## Greece set to exit bailout

Athens

Greece exits the last of its three bailouts on Aug. 20 and hopes to be able to borrow again in international markets after a nearly nine-year debt crisis that shrank the economy by a quarter and forced it to implement painful austerity measures.

Since the debt crisis exploded in early 2010, four successive governments have fought to keep bankruptcy at bay, relying on the biggest bailout in economic history, more than 260 billion euros lent by Greece's euro zone partners and the IMF.

However, the economy, which shrank by 26 percent in the crisis years, has started to grow, tourism is booming and unemployment is slowly coming down - to 19.5pc from a peak of almost 28pc.

# Cryptocurrency scams on the rise: British watchdog

Reuters | London

Cryptocurrency scams are using images of celebrities and upmarket London addresses to hoodwink consumers into parting with cash, Britain's Financial Conduct Authority has said.

The warning, first made in June, was reposted on the FCA's website on Friday.

Cryptocurrencies such as bitcoin and ether are not regulated in Britain, and the FCA said it

has received a rising number of reports about investment scams that claim to offer high returns.

"UK consumers are being increasingly targeted by cryptocurrency-related investment scams," the FCA said in a statement.

"Cryptocurrency fraudsters tend to advertise on social media, often using the images of celebrities or well-known individuals to promote cryptocurrency investments."

The ads link to websites for

investments either using cryptocurrencies or traditional cash.

"The firms operating the scams are usually based outside of the UK but will claim to have a UK presence, often a prestigious City of London address," the FCA said.

Given that cryptocurrencies are not regulated, consumers are unlikely to get their money back, and are not protected by the Financial Services Compensation Scheme, the watchdog said.

# Gold set for biggest weekly fall in more than a year

Reuters | London

Gold recovered some ground yesterday as a weakening US dollar relieved pressure on prices, but the metal remained near 19-month lows and looked set for its biggest weekly fall since May 2017.

Gold has tumbled 14 percent from its April high as a rally in the greenback made dollar-priced bullion more expensive for buyers with other currencies.

Investors seeking a safe place to store assets amid trade dis-



putes and a Turkish currency crisis have preferred the dollar to gold, undermining the reputation of bullion as a safe haven.

But news of planned US-China trade talks and a partial recovery of Turkey's lira have steadied nerves slightly. From a 13-month high on Wednesday against a basket of peers, the dollar has weakened against the currencies of key gold markets the euro zone and China, helping gold regain its footing, said ABN AMRO analyst Georgette Boele.

"I expect the dollar to peak in the coming weeks ... Gold should

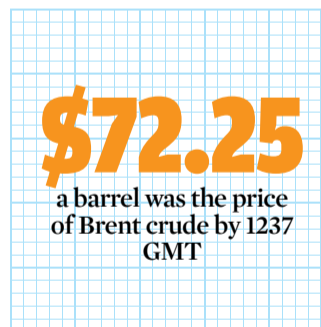
## Oil heads for weekly loss

Reuters | Tokyo, Moscow

Oil prices rose yesterday but were heading for yet another weekly decline as concerns intensified that trade disputes and slowing global economic growth could hit demand for petroleum products.

Brent crude oil futures LCOc1 were up 92 cents at \$72.25 a barrel by 1237 GMT, after rising over \$1 to hit a high of \$72.44 a barrel. US West Texas Intermediate (WTI) crude futures CLc1 rose 59 cents to \$66.05.

Brent was still heading for a 1-percent decline this week, a third consecutive weekly drop. WTI, meanwhile, is on track for



a seventh week of losses with a fall of more than 2pc.

The main drag on prices was the darkening economic outlook on the back of trade tensions.

bottom out here," she said.

Spot gold was up 0.5pc at \$1,178.81 an ounce at 1345 GMT but down 2.6pc this week in its sixth consecutive weekly loss. On Thursday it touched \$1,159.96, the lowest since January 2017.

US gold futures were 0.2pc higher at \$1,186.40 an ounce.

In other precious metals, silver was up 0.5pc at \$14.68 an ounce and down 4pc this week, the biggest weekly loss since February. On Thursday it touched its lowest since February 2016.



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