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HD **Markets Can't Afford Another Crisis, Says CS Economist -- Market Talk**

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0159 GMT [Dow Jones] The normalization of monetary policy must be a "softly, softly" process, and central bank officials and financial markets appear to recognize that, says Credit Suisse economist Neal Soss. "I think what financial markets are recognizing is that it's pretty clear one thing you cannot afford in the next five years… is to have the next recession prematurely," he tells reporters on the sidelines of the B20 Summit in Sydney. This "means various policies around the world have to remain supportive of economic performance and if you're lucky enough to get growth, don't resist, so to speak," he adds. Soss expects the current, delicate financial environment to remain in place for a prolonged period. "And frankly I think the real economies around the world will need this kind of financial calm and stability," he says. "Another financial crisis anytime soon is certainly not to be expected, welcomed or deliberately brought upon us." (rhiannon.hoyle@wsj.com, Twitter: rhiannon.hoyle@wsj.com)

0157 GMT [Dow Jones] The USD/TWD falls slightly in thin volume, tracking the greenback's weakness against most regional currencies, says a local trader. The pair is at 29.990, lower than 29.995 traded before the local central bank's suspected intervention Wednesday, which lifted it to 30.072--the highest onshore closing level in more than five weeks, traders say. A trader says many market participants are turning cautious, seeking cues from foreign investors' moves in local stocks. "Some exporters, who sold heavily on Wednesday, became hesitant to sell after the greenback fell below NT$30.000 level at the open," the trader says, and tips the pair to trade between 29.970 and 30.020 for the session. The Taiex is down 0.5%. (fanny.liu@wsj.com)

0156 GMT [Dow Jones] Crude-**oil** futures were slightly higher in early Asian trade Thursday supported by bullish **oil** data from the U.S., which reported a drawdown in weekly domestic **oil** stockpiles of 7.5 **million** barrels. WTI crude had gained overnight as the drop in stockpiles was more than market expectations of a drop of 2.6 **million** barrels, indicating stronger **oil** demand. "The falls were due to increased refinery runs, which climbed above 16.6 **million** bbl/day, the strongest since 1989," ANZ says. Meanwhile, the U.S. has imposed restrictions on Russia's state-run **oil** major Rosneft and other companies. Nymex crude is up 32 cents at $101.52/bbl, Brent crude is up 11 cents at $107.28/bbl. (eric.yep@wsj.com)

0151 GMT [Dow Jones] BMD CPO may start lower as the market is still in a bearish mode technically, says AmBank in a note; it adds that there is risk of prices moving to MYR2,260/ton if they breach MYR2,290/ton. A Singapore-based broker says that with CBOT higher overnight, palm **oil** prices may have hit their lows for the time being. BMD CPO hit a low not seen in more than nine months Wednesday, although any further downside was limited on positive Malaysian July 1-15 export data. Benchmark October BMD CPO ended 0.9% higher at MYR2,304/ton Wednesday. (huileng.tan@wsj.com; Twitter: @huileng_tan)

0149 GMT [Dow Jones] The good news just keeps on coming from Sirius Resources (SIR.AU). First, the **company** found massive nickel sulphides at the Taipan prospect at its wholly owned Polar Bear project in Western Australia. UBS notes that while exploration results are early stage, the discovery of massive nickel sulphides are seldom found in discrete locations and tend to be a part of a much larger and potentially economic deposit. Sirius also located an electromagnetic conductor northwest and below its

Nova-Bollinger project, which is an early stage indicator of massive nickel sulphide deposits. "Sirius has become a dominant future producer of nickel in a region that has BHP Billiton's Nickel West up for sale and a lack of high quality nickel ore globally post the Indonesian ore ban," says UBS analyst Jo Battershill. He rates Sirius as a buy. SIR last traded at A$3.86. (david.winning@wsj.com; @dwinningWSJ)

0148 GMT [Dow Jones] USD/KRW retreated sharply to 1,025.5 from Wednesday's two-month high of 1,036.1 due to profit-taking of long-USD positions. But the bullish technical bias for USD/KRW may remain if it stays above 1,022--the base of the daily Bollinger uptrend channel and the base of the Ichimoku Cloud support. The likelihood for immediate upside for USD/KRW has been reduced after yesterday's extension beyond the upper Bollinger band (standard deviation 2) which suggests the market was overbought. A weekly close above 1,035 would increase the chances of prolonged USD strength, whereas a Thursday close below 1,022 would create a reversal candlestick pattern that might encourage more USD-selling. USD/KRW is now 1,028.0 from its Wednesday close of 1,032.1. (ewen.chew@wsj.com)

0138 GMT [Dow Jones] With USD/JPY still lacking clear direction even after Fed chief Yellen's semi-annual testimony this week, investors will likely shift focus to gauge how the Fed's hawkish bias will intensify toward the Jackson Hole meeting scheduled August 21-23, says Mizuho Securities chief FX strategist Kengo Suzuki. Events ahead of Jackson Hole are FOMC on July 29-30, U.S. GDP data on July 30 and U.S. jobs data on August 1. Even after Yellen's remarks this week, 10-year U.S. Treasury yields are almost unchanged and the USD/JPY failed to step out of its tight range and remained directionless around the upper half of the 101 level, says Mr. Suzuki. The pair is now at 101.65 compared with 101.68 late Wednesday in New York. (hiroyuki.kachi@wsj.com)

0130 GMT [Dow Jones] Australian business confidence was resilient in 2Q considering the tough Federal Budget in May, though National Australia Bank's business confidence index slipped to +6 vs +7 in 2Q. NAB's current business conditions index rose to +1 from flat in 2Q. "Forward indicators point to further modest improvement over coming months, but the economy will remain subtrend with soft labour demand," NAB chief economist Alan Oster says. Medium term expectations for conditions are flat, although capital expenditure expectations rose somewhat. Measures of price pressures suggest lower inflation, especially retail prices. A special question on the impact of currency shows retailers and wholesalers benefiting from a strengthening Australian dollar. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

0121 GMT [Dow Jones] S&P/ASX 200 volume this morning was inflated by the expiry of July index options, so traders aren't getting excited by the fresh 6-year high in the index. Last up 0.6% at 5551.8. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

0121 GMT [Dow Jones] Taiwan shares open with a 0.5% decline to 9441.54 dragged by selling in Taiwan Semiconductor Manufacturing Co. (2330.TW) on anticipated shrinking orders in the near future, says a local trader. But he notes the drop is likely temporary, as the outlook for the overall tech sector remains upbeat. "Foreign players are still interested in the Taiex, especially in local Apple suppliers, even though some of them are dumping TSMC shares," he says. TSMC is down 4.6% to NT$124.50, Hon Hai Precision (2317.TW) falls 0.5% at NT$107.00, while HTC (2498.TW) gains 0.4% at NT$137.50. The trader tips a 9400-9500 band. (jenny.hsu@wsj.com)

0110 GMT [Dow Jones] Hong Kong equities may extend a three-day rally today as better-than-expected Chinese GDP helped boost sentiment on international markets yesterday and the Dow Jones Industrial Average hit a fresh record. China's economic growth accelerated to 7.5% in Q2, beating market forecasts. "Wednesday's upbeat data suggest that policymakers' strategy of fine-tuning policy is working relatively well," says Capital Economics. "Looking ahead, we expect growth to slow again in the second half of the year due to downward pressures from real estate." Metals and mining stocks rallied on Wednesday with the "China bear camp back in hibernation post-GDP" and fears of a hard landing "pushed out yet again", says Reorient Group. The Hang Seng Index gained 0.3% to 23,523.28 on Wednesday, the third consecutive day of increases. Index futures rise 0.3% ahead of the market open.(gregor.hunter@wsj.com; Twitter: @gregorhunter)

0106 GMT [Dow Jones] The pound sterling has been capped recently mainly due to mixed U.K. economic data--unemployment continued to fall but weak wage growth is pointing to muted price risks--Credit Agricole CIB notes. But the bank believes that upside risks to inflation can be expected in an environment of further improving labour market conditions, and therefore there is additional room of rising rate expectations from the Bank of England over the coming few months. Credit Agricole says it remains in favour of buying GBP dips against the USD and the EUR. Spot GBP/USD was last at 1.7136 compared with the near-six-year high of 1.7191 hit Tuesday; spot EUR/GBP at 0.7893--not far above the 22-month low of 0.7885 reached Wednesday. (jerry.tan@wsj.com)

(END) Dow Jones Newswires

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