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USA OUTLOOK

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Foto: Yahoo Finance

Wall Street ends higher on trade, ECB stimulus hopes

U.S. stocks advanced on Thursday, and the S&P 500 closed within striking distance of its all-time high, buoyed by positive developments on the U.S.-China trade front and a promise of continued stimulus from the European Central Bank.

Based on the latest available data, the Dow Jones Industrial Average .DJI rose 47.11 points, or 0.17%, to 27,184.15, the S&P 500 .SPX gained 8.77 points, or 0.29%, to 3,009.7 and the Nasdaq Composite .IXIC added 24.79 points, or 0.3%, to 8,194.47.



Foto: CNN.com

The United States is delaying some tariffs on China. Markets are moving higher

Global stocks are mostly on the rise after the United States and China took small steps toward cooling trade tensions between each other.

China announced Wednesday that it would waive tariffs on some US goods. US President Donald Trump followed with plans of his own to push back new tariffs on Chinese goods by two weeks. Chinese companies are also looking into the cost of buying US agricultural products — including major imports like soybean and pork, a spokesman for China's Commerce Ministry said Thursday.

On Thursday, China's Shanghai Composite Index (SHCOMP) closed up 0.8%. Japan's Nikkei (N225) also ended 0.8% higher. South Korean markets were closed for a holiday.

US market futures also rose. Dow (INDU) futures gained 67 points after hours, or 0.25%. S&P 500 (SPX) futures were up 0.2% while Nasdaq (COMP) futures increased 0.4%.

Trump declared the US tariff delays as a sign of "good will" toward China. He said that an increase of tariffs from 25% to 30% on \$250 billion worth of goods will be pushed from October 1 — the 70th anniversary of the People's Republic of China — to October 15.

The exemptions announced by China also indicate an "olive branch" that suggests the country's willingness to end or at least de-escalate tensions between the two sides, said Stephen Innes, a market strategist for Asia Pacific at AxiTrader.



Foto: The New York Times

Trump Administration to Roll Back Clean Water Protections

The Trump administration on Thursday announced the repeal of a major Obama-era clean water regulation that had placed limits on polluting chemicals that could be used near streams, wetlands and other bodies of water.

The rollback of the 2015 measure, known as the Waters of the United States rule, adds to a lengthy list of environmental rules that the administration has worked to weaken or undo over the past two and a half years. Those efforts have focused heavily on eliminating re-strictions on fossil fuel pollution, including coal-fired power plants, automobile tailpipes, and oil and gas leaks, but have also touched on asbestos and pesticides.

The repeal of the water rule, which is expected to take effect in a matter of weeks, has implications far beyond the pollution that will now be allowed to flow freely into streams and wetlands from farms, mines and factories. With Thursday's announcement, the Environmental Protection Agency is aiming to establish a stricter legal definition of "waters of the United States" under the Clean Water Act, a precedent that could make it difficult for future administrations to take actions to protect waterways.

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Foto: Reuters

Climate change pushes U.S. fund managers to bet on AC makers

Record heatwaves in Europe and Asia this summer are leading fund managers to buy shares of air conditioning manufacturers, betting that the public health risks of rising temperatures will compel businesses and apartment building owners to install cooling systems.

Shares of Johnson Controls International Plc (JCI.N), United Technologies Corp (UTX.N), and Ingersoll Rand Plc (IR.N), are all up 25% or more since the start of the year, well above the 19% gain in the U.S. benchmark S&P 500 index. Those gains come despite concerns about slowing global economic growth due to the lingering trade war between the United States and China that have weighed on the industrial sector.

Fund managers and analysts say the recent outperformance will likely continue due to the necessity of cooling systems as temperatures rise globally. Paris hit 42.6 degrees Celsius (108.7 Fahrenheit) in July, the highest in the city's recorded history, while Britain reported its hottest July on record. Heat waves contributed to the deaths of 1,435 people in France this summer, the country's health ministry said Sunday.

Europe will likely be a large growth market despite the outsized costs of retrofitting older buildings with new cooling systems, said Nicholas Heymann, co-group head – global industrial infrastructure at William Blair. Currently, only about 20% of European households have air conditioning, compared with 87% percent of U.S. households and 90% in Japan, due in part to greater emphasis on less energy-intensive forms of cooling in Europe.



Foto: Reuters

Swiss-based Libra will have to meet tough U.S. standards: U.S. Treasury

The Facebook-led (FB.O) Libra cryptocurrency project must meet the highest standards for combating money laundering and terrorism financing if it is to get off the ground, a senior U.S. Treasury official said on Tuesday.

Digital currencies such as Libra raise serious concerns and must be regulated as tightly as possible to ensure they do not upset the world's financial system, Group of Seven finance ministers and central bankers had said in July.

Any cryptocurrency project, including Geneva-based Libra, operating in all or substantial parts of the United States will clearly have to satisfy U.S. regulatory standards, U.S. Under Secretary of Terrorism and Financial Intelligence Sigal Mandelker told reporters in the Swiss capital.