

The dollar jumped to a 3-week top on Tuesday while Asian shares started cautiously as investors were hopeful of a positive outcome from a highly anticipated U.S.-Korea summit, which could set the stage for ending a nuclear stand-off on the Korean peninsula.

Japan's Nikkei <.N225> climbed 0.8 per cent to the highest in three weeks and South Korean shares added 0.1 per cent. Australia's <.AXJO> benchmark index was a tad firmer while New Zealand eased 0.3 per cent <.NZ50>.

That left MSCI's broadest index of Asia-Pacific shares outside [Japan](#) <.MIAPJ0000PUS> a touch softer at 573.31.

The historic meeting between U.S. President [Donald Trump](#) and North Korea's Kim Jong Un is due to start at 0100 GMT in [Singapore](#).

Ahead of the summit, Trump said the meeting could "work out very nicely" as the countries try to narrow differences on how to end a nuclear standoff on the Korean peninsula.

Many analysts said the bar was pretty low for what will be deemed a successful summit, given the past failures in talks with [North Korea](#).

"This seems to be the first step on the road in what is going to be a long drawn out process," said Ray Attrill, head of forex strategy, National [Australia](#) Bank, Sydney.

"If there appears to be a genuine intent on both sides to use this summit as a platform for a serious negotiation of a peace treaty, I guess that's what success would look like today," he said.

"Nobody is expecting a peace treaty today, that is being overly optimistic. But if this turns out to be a complete failure there might be some implications for risk assets."

A denuclearisation deal would be positive for South Korean assets given the possible boost to growth and fading geopolitical risks, analysts at [Goldman Sachs](#) said in a note.

The lead from Wall Street was mixed too, with the Dow <.DJI> barely changed, the [S&P 500](#) <.SPX> up 0.1 per cent and the Nasdaq <.IXIC> adding 0.2 per cent.

CAUTIOUS TRADE

There were some nerves, after Trump upset the Group of Seven's efforts to show a united front, choosing to back out of a previous joint communique. The action drew criticism from [Germany](#) and France, and Trump called Canadian Prime Minister [Justin Trudeau](#) "very dishonest and weak."

By and large, though, "[markets](#) are generally shrugging off the [G7](#) trainwreck," Attrill said. Instead, they are looking ahead to a busy week.

Tuesday's [North Korea](#) summit will be followed by policy meetings of the U.S. Federal Reserve, which is expected to raise rates, and the [European Central Bank](#) as well as a Brexit bill vote in the British parliament.

The greenback was well bid on Tuesday morning, with the dollar index <.DXY> up 0.1 per cent against a basket of major currencies. [FRX/]

Against the safe-haven yen, the dollar jumped to a three-week top of 110.42.

Also helping calm [markets](#) were comments from Italy's new coalition government that it had no intention of leaving the euro zone and planned to cut debt.

The euro hovered near a three-week high of \$1.1840. It was last at \$1.1773.

In commodities, U.S. crude rose 6 cents to \$66.16 per barrel, while Brent gained 5 cents to \$76.51.

Spot gold was a tad weaker at \$1,298.06 an ounce.