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MARKETS

Global Stocks Mixed After Syria Air Strikes

Investors breathed a sigh of relief after missile strikes on Syria didn't lead to a major escalation in the seven-year-old conflict

By Georgi Kantchev

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Global stocks were mixed Monday, while oil and bond prices fell amid expectation that U.S.-led strikes on Syria late last week would not escalate into a broader conflict.

The Stoxx Europe 600 edged down in early morning trade while Asian stocks were mixed. Futures pointed to an opening gain of 0.4% for the S&P 500. Crude oil and bond prices fell, after gaining last week on the back of increased global tensions around Syria.

Investors breathed a sigh of relief after missile strikes late Friday by the U.S., U.K. and France on Syria didn't lead to a major escalation in the seven-year-old conflict. A Pentagon official said that the single wave of strikes is complete for now, while in a Twitter post on Saturday, President Donald Trump said "Mission Accomplished!"

"Uncertainties can escalate again but so far the biggest fears haven't been realized which allows risky assets to recover," said Viraj Patel, a strategist at ING Bank.

Geopolitical concerns, trade tensions, as well as some weaker-than-expected economic numbers, rattled investor sentiment in recent weeks over concerns those factors could hit a rare spurt of synchronized global economic upswing.

The 10-year U.S. Treasury yield rose to 2.851% from 2.828%. Yields move inversely to prices. The WSJ Dollar Index, which tracks the dollar against a basket of 16 currencies, was down 0.1%.

The price of Brent crude, the international oil gauge, was down 1.5% on Monday after gaining 8.1% last week on concerns that wider conflict in the Middle East would affect supply.

This has left the market very sensitive to headlines, said Randy Warren, chief investment officer of Philadelphia-based Warren Financial, who is advising clients to mitigate risk.

"This see-saw stock market has investors rattled... but [equities] still offer long-term gains," Mr. Warren said.

Investors will be looking to a slew of economic data and corporate earnings coming out this week for clues. On Monday, traders will be looking at the latest U.S. retail sales data, an important gauge of the health of the economy. Also on tap this week is China's first-quarter economic growth as well as data on March business activity.

Recent surveys of manufacturing activity in major economies had been disappointing, sending the Citi developed markets economic surprise index into negative territory, from its highest levels in over seven years as recently as December.

“Survey data has rolled over to some degree but is still consistent with above-trend growth,” said David Owen, a London-based economist at Jefferies.

Asian stocks’ early gains eroded Monday, led by declines in Hong Kong and mainland China over worries about the Hong Kong dollar, though Japanese stocks rose.



Traders at work on the New York Stock Exchange on Friday. PHOTO: QIN LANG/ZUMA PRESS

The Hang Seng Index was down 1.6% while the Shanghai Composite Index of big-cap Chinese stocks was down 1.5%. Japan’s Nikkei Stock Average finished up 0.3%.

—*Joanne Chiu contributed to this article.*

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The currency last week weakened to the bottom of its trading band against the U.S. dollar, leading Hong Kong’s monetary authority to try to bolster it by selling \$1.23 billion in U.S. dollars to buy Hong Kong dollars.

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