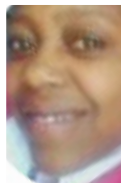




Asia Pacific Stocks Rise This Week As Higher Commodity Prices Impact The Markets Positively

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Stocks in the Asia Pacific region rose this week. The rise was largely buoyed by improved commodity prices with oil in particular hovering over the \$50 a barrel mark.

In Hong Kong for instance, the rise was even more notable. The benchmark here had its best day in almost two weeks on Tuesday and almost hit a one year high. The [Hang Seng Index closed up 1.4%](#) on Tuesday, the largest gain in a day since May 25. The rise was quite close to the April 21 peak that is the highest this year. Investors in Hong Kong have been piling their money in the market as U.S treasury yields remain low.

The Hong Kong Benchmark has now gained in four straight sessions with IT and Energy stocks seeing the biggest growth. The rally is a good reflection of how the Asia Pacific region has been doing in recent weeks and as commodity prices stabilize, more gains are expected. The bullish oil prices in particular have had the biggest impact on this rally. Additionally, the delayed prospect of increased



interest rates in the US has also helped the course. Elsewhere, the South Korea Kospı closed up 1.3% on Tuesday while Australia’s S&P/ASX 200 gained 0.2%.

Commodity Prices Improvement

Commodity prices in the world continued their ascent this week as the US dollar dropped against major currencies last week. Data from Brokerage firm IG confirmed that Gold prices rose 0.1%, Iron rose

2.1%, while copper rose by 0.2% on Tuesday. These improvements had a positive impact on energy and mining shares in the Asia Pacific region. BHP Billiton Ltd that trades in the Australian market rose 3.4% while PetroChina Co. stocks rose 3% in the Hong Kong Market. Economists also expect the Chinese economy to continue its recovery this month. This will likely boost investments in the country and the entire Asia Pacific region.

What The Future Holds

It seems stocks in the Asia Pacific region are responding well to rising commodity prices. Oil in particular which had the biggest impact this week has been rising steadily and while there are still fears that improving prices could trigger massive production,

analysts expect oil to hold steady in the near future. This will definitely boost markets in Asia. There is also good news coming from China. Slowed economic growth in the country this year was a concern for investors but Beijing is stepping in to alleviate these fears.

Despite slowed economic growth China has still managed to maintain a positive economic outlook this year. A comprehensive government stimulus is already in place to bolster growth. Growth prospects in South Korea are also positive. Generally, the mood in Asian pacific markets remains cautiously optimistic as investors await Chinese economic data this month. Either way, Asian Pacific Stocks have always been a good bet for long term returns. Most investors are in it for the long haul and the prospects of good returns are definitely visible.

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