



# Asia Pacific Stocks Get A Lift after The Federal Reserve Left Interest Rates Unchanged Earlier This Week

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 By **Nyambura Tabitha**  
 Markets Reporter



Asia Pacific stocks rose last week after the Federal Reserve decided to leave interest rates unchanged. Major stock markets in the region recorded notable gains after the announcement with a spike in crude prices also providing a much needed boost.

The Federal Reserve kept interest rates unchanged last week. A report by the Central Bank noted that the US jobs performance is robust with economic activity also showing good progress. However business investment is a little soft and inflation remains very low. In light of this, the central bank decided not to raise rates, and in the process lifting stocks in the Asia Pacific Region.

### Boost On Asia Pacific Stocks

The Federal Reserve decision to keep interest rates unchanged saw

a number of rallies in stocks in the Asia Pacific arena. Chinese mainland shares rallied with the property, materials, and resource sectors seeing the biggest gains. The CSI300 index rose 0.75%, to 3,291.12 points as the Shanghai composite Index added 0.54% to reach 3,042.31 points. Some positive spikes in crude prices also had an impact on the rally.

The Hong Kong Stock Market also recorded gains. Property and resources stocks led the charge as the benchmark Hang Seng Index added 0.38% to close at 23759.80 points.

◀ The Hang Seng China Enterprises Index also added 0.45% to close at 9893.80. There were more gains too with the South Korea's KOSPI index adding 0.7% to close at 2049.70 and the Taiwan's Taiex index adding 0.1% to close at 9235.26. The Federal Reserve is however expected to raise rates anytime this year and while it seems economic activity in the US is steady the soft business investment progress needs to pick up sooner rather than later.

### **Positive Spike In Crude Prices**

Last week the price of crude in the global market spiked positively ahead of an OPEC meeting that is expected to discuss the current crisis in oil prices. The OPEC countries led by Saudi Arabia and Russia are expected to hold talks in Algeria for three days in what seems like a concerted effort by oil producing countries to reverse the losses in

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crude prices globally. In any case, the spike impacted Asia Pacific stocks positively last week. The timely OPEC meeting and the decision by the Federal Reserve to keep interest rates unchanged all seem to have come at a good time. And as long as oil prices rally in the future, the performance of Asian stocks will definitely be better.

### **Investing In Asia Pacific Stocks**

For quite some time now many stocks in the Asian Pacific market have been trading at a significant

discount to their true value. South Korea in particular has attracted investments due to a robust economy and increased local consumption. But even then, Korean stocks have been traded at cheap prices compared to NAV making them attractive for international investors.

The Asia Pacific region is ideal for value investors looking for long term gains. Well, if you want to invest in the region then the best way to do it is through a managed portfolio. The [Asia Pacific Fund](#) is a closed end Fund that invests in equity securities of companies in the Asia Pacific region with the exception of Japan. The fund provides a vehicle for investors to invest in stocks in Asia Pacific countries through a managed portfolio. You can buy Asia Pacific Fund shares on the NYSE anytime under the ticker symbol APB.