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GLOBAL MARKET OVERVIEW

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Euro firms despite Greek deal delay

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By Jamie Chisholm, Global Markets Commentator

Thursday 10:00 GMT. The euro has traded above $1.33 for the first time in nearly two months as investors dismiss concerns about another day without a Greek bail-out deal, with many figuring an agreement is still within reach that can ensure Athens, and by extension the European financial system, does not suffer the consequences of a messy default.

The single currency's recent rally is also the result of a broader market risk appetite that has helped push global stocks and major industrial commodities to multi-month highs after recent US data, jobs numbers in particular, bolstered hopes of a global economic recovery.

The FTSE All-World equity index is up 0.2 per cent, hovering just shy of its best level since the start of August, while Brent crude is higher by 0.7 per cent to $118.0 a barrel, a six-month peak. The FTSE Eurofirst 300 is enjoying a 0.4 per cent advance, helped by news UK industrial output grew more than forecast in December.

S&P 500 futures suggest Wall Street's benchmark will trade at Wednesday's close, when a reversal of early losses left it enjoying gains of 7.3 per cent for 2012. Support later in the day may come from the technology sector after Cisco Systems beat analysts' expectations on both earnings and revenue, triggering a 3.5 per cent advance in the stock after the bell.

Underlying market optimism can be seen in those assets that traditionally struggle when the mood is more upbeat. The dollar index, for example, is down 0.1 per cent, while reduced demand for havens nudges 10-year Treasury yields up 3 basis points to 2.01 per cent. The US government will auction $16bn of 30-year bonds later on Thursday.

Another factor bolstering growth-focused assets of late is a sense that western central banks remain prepared to support markets via injections of liquidity. The Bank of England is expected by many analysts to announce an additional £50bn of quantitative easing at the conclusion of its monetary policy meeting on Thursday.