DOW JOWES, A NEWS CORP COMPANY W

DJIA 7 22341.91 -0.18%

Nasdaq & 6468.88 0.24%

U.S. 10 Yr 1/32 Yield 2.304%

Crude Oil 7 51.46 -0.19%

Euro 1.1825 0.31%

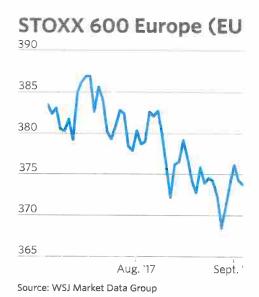
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MARKETS | U.S. MARKETS

## Global Stocks on Track for Quarterly Gains

Futures suggest the S&P 500 will open unchanged from a record high



By Riva Gold and Lucy Craymer
Updated Sept. 29, 2017 8:46 a.m. ET

- Dow on track for eighth straight quarter of gains
- Nikkei logs best month of the year
- Spanish stocks lag behind

Global stocks were poised for quarterly gains Friday, although market moves were muted on the final trading day of September.

Futures suggested the S&P 500 would open unchanged from a record high, echoing a quiet session in Europe.

## **Today's Highlights**

- Dow Deja Vu: 'Trump Trade' Regains Favor
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- SEC Chairman Froze Agency's Approval of Chicago Stock Exchange Sale

Over the past three months, the S&P 500 has added 3.6%, the

Nasdaq Co

NDAQ -0.08% Y

mposite has jumped

5.1% and the Dow Jones Industrial Average has risen 4.8%, on track for its eighth consecutive quarterly advance—the longest winning streak since 1997.

"Earnings were good in the second quarter, consensus expectations beat and that drove stocks," said Jason Ware, chief investment officer at Albion Financial Group.

While the third quarter might show a modest slowdown in earnings, the fact that U.S. Republicans are moving forward with tax cuts could offer a "fleeting sugar rush" to the economy and stock market, Mr. Ware added.

In Europe, the Stoxx Europe 600 edged up less than 0.1% Friday from a 10-week high following six consecutive days of advances, its longest winning streak since April. U.K.-listed companies drove most of the day's modest climb amid gains in mining companies and as the pound fell 0.4% to \$1.3391, boosting multinationals that source revenue overseas.

European stocks are on track to climb about 3.4% this month and end the quarter about 1.9% higher despite a drop in August as solid earnings growth and a buoyant global economy have drawn in investors. Businesses and households across the eurozone were more upbeat about their prospects than at any time in more than a decade during September, data from the European Commission showed Thursday, while the German unemployment rate fell to a record low, data Friday showed.

Spain's IBEX 35 has lagged behind, however, with a decline of 1.2% over the past three months and 0.2% on Friday. The Spanish region of Catalonia is planning to hold an independence referendum Sunday and investors have shown moderate concern. Funds tracking Spanish equities posted their biggest outflows in 59 weeks in the week through Wednesday, according to fund-tracker EPFR Global.



An information board at the stock exchange in Madrid, Spain on Monday. PHOTO: ZIPI/EPA-EFE/REX/SHUTTERSTOCK/EPA/SHUTTERSTOCK

Spanish 10-year bond yields edged down to 1.611% from 1.617% Thursday, while German bond yields fell to 0.453% from 0.479%. U.S. 10-year Treasury yields were little changed at 2.311%. Yields move inversely to prices.

"The Catalan election is somewhat worrying... but political uncertainty just doesn't seem to be affecting this market much," said Julian Howard, head of multiasset solutions at Swiss investment manager GAM, noting the euro had already started to recover from the losses that followed German elections last weekend.

He expects the U.S. stock market to lag somewhat behind Europe and emerging markets toward the end of the year.

"The S&P has already met the [year-end target] that we set out at the end of June, which is a little bit worrying," he said.

Earlier, Asia-Pacific stocks mostly edged up Friday. Key indexes in the region finished the quarter higher, with solid earnings and broadly positive risk sentiment continuing to outweigh the region's geopolitical concerns, in particular the escalation of tensions between North Korea and the U.S.

The Shanghai Composite Index edged up 0.3% ahead of holidays that will keep markets closed through next week. It has gained 4.9% this quarter—its best since 2015—while Hong Kong's Hang Seng added 6.9% over that period.



Japan's Nikkei is on pace to notch its best month of 2017. PHOTO: SHIZUO KAMBAYASHI/ASSOCIATED PRESS

Japan led the way regionally in September, with the Nikkei notching its best month of 2017, up 3.6%. The dollar was last up 0.2% against the yen and has climbed more than 2% against the Japanese currency this month, supporting the export-heavy stock index.

Strength in Asian equity markets will likely continue through the fourth quarter as "there is still massive liquidity in the markets" and "most of the major global economies are still in a stimulus phase," said Gavin Parry, managing director of Parry International Trading in Hong Kong.

But some markets have paused more recently. Taiwan and Hong Kong logged their first monthly declines of 2017, with Taiwan shares hit by recent worry about tech demand, especially for Apple's iPhone.

Australia's S&P/ASX 200 logged its worst run in six years by falling for a fifthstraight month. After banks fell in August, a sharp retreat in iron ore prices the past several weeks has pressured Australian mining stocks.

## In the Markets

- Global Stocks on Track for Quarterly Gains
- Oil Fluctuates Amid Concerns Over Kurdish Referendum
- · Gold Gains, Helped by Weaker Dollar

Write to Riva Gold at riva.gold@wsj.com and Lucy Craymer at

Lucy.Craymer@wsj.com

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