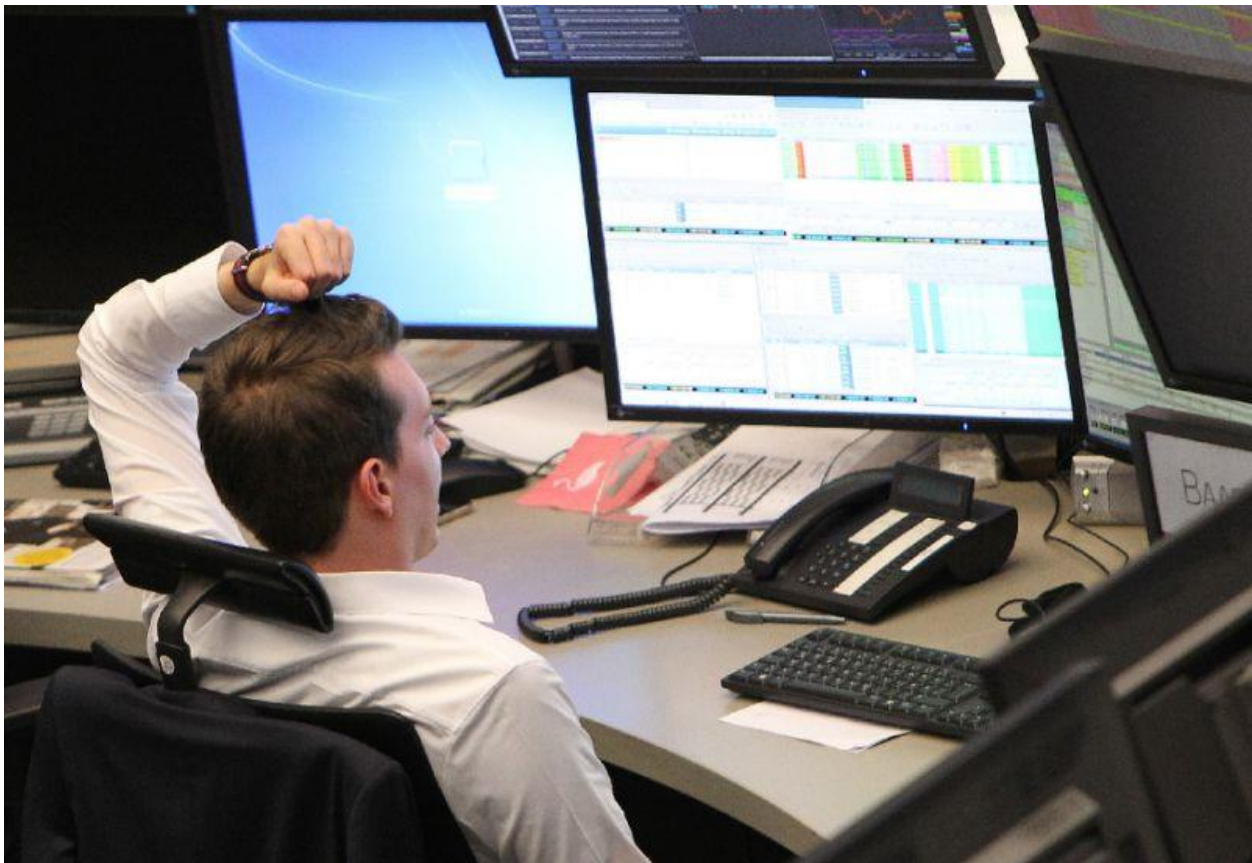


World markets lose steam, oil falls; US earnings mixed

October 22, 2016



European bonds firmed on the prospect of further ECB asset purchases, while the euro slipped against the dollar in very volatile trading (AFP Photo/Daniel Roland)

New York (AFP) - Global stock markets lost steam Tuesday amid a deluge of US corporate earnings reports showing mixed results, as well as solid German economic data, while oil dropped below the psychological \$50 level.

US markets posted slight declines with some big name companies reporting earnings. Apple's disappointing report, showing a 19 percent drop in profits, came in after US markets closed.

"We're seeing an overall positive tone to earnings but we have seen some ... potential signs of caution, so investors are waiting to gather the complete picture," said David Levy, portfolio manager at Republic Wealth Advisors.

Eurozone markets closed lower as investors turned cautious despite upbeat German data, while London held onto some gains on a weak pound and plans to expand busy Heathrow Airport.

UK stocks rose after the government backed the controversial expansion of Heathrow airport, a move it said would bring economic benefits worth up to £61 billion (69 billion euros, \$75 billion).

The pound dipped sharply during trade to \$1.2090 before pulling back, but still ended the day lower at \$1.2186.

"A weak British currency came to the rescue of an ailing FTSE 100 on Tuesday," said Jasper Lawler, market analyst at CMC Markets.

German business confidence defied predictions in October, hitting the highest level since April 2014, the Ifo economic institute revealed, but the positive data did not help the Frankfurt exchange.

The strong US dollar continues to make life difficult for oil prices, as did the uncertainty over whether OPEC can produce a credible quota agreement.

"We are under that additional uncertainty introduced by Iraq saying it did want to be exempt from a quota. And that is certainly negative for prices," WTRG oil analyst James Williams told AFP. But he added: "They actually seem to be serious about instituting country by country quotas."

One US analyst already is looking ahead to next week's US monetary policy decision.

"This was supposed to be a quiet week driven by earnings, and the earnings seem to be middling as expected and that leaves the Fed to make trouble," Chris Low of FTN financial told AFP.

The Federal Reserve's monetary policy committee will meet to discuss interest rates November 1-2, but is not expected to raise rates until its December meeting.

- Key figures around 2100 GMT -

New York - Dow: DOWN 0.3 percent at 18,169.27

New York - S&P DOWN 0.4 percent at 2,143.16

New York - Nasdaq DOWN 0.5 percent at 5,283.40

London - FTSE 100: UP 0.45 percent at 7,017.64 points (close)

Frankfurt - DAX 30: DOWN 0.04 percent at 10,757.31 (close)

Paris - CAC 40: DOWN 0.3 percent at 4,540.84 (close)

Milan - FTSE MIB: DOWN 0.4 percent at 17,230.03

EURO STOXX 50: DOWN 0.23 percent at 3,087.41 (close)

Tokyo - Nikkei 225: UP 0.8 percent at 17,365.25 (close)

Hong Kong - Hang Seng: DOWN 0.2 percent at 23,565.11 (close)

Shanghai - Composite: UP 0.1 percent at 3,131.94 (close)

Euro/dollar: UP to \$1.0887 from \$1.0877 Monday

Dollar/yen: UP to 104.22 yen from 104.21 yen

Pound/dollar: DOWN to \$1.2186 from \$1.2239

Euro/pound: UP to 89.34 pence from 88.87 pence

Oil - West Texas Intermediate: DOWN 56 cents at \$49.96 per barrel

Oil - Brent North Sea: DOWN 67 cents at \$50.79

<https://www.yahoo.com/news/dollar-rises-us-rate-bets-asia-markets-struggle-033659905.html>