

Monday – October 27th

Wall street just had its best week in almost two years.

At the close of last week, Amazon shares plunged after the company reported dismal third-quarter results and New York was somewhat frazzled by its first local case of Ebola. Still, none of this was enough to drag markets down.

US markets were driven up by new home sales and a slew of strong earnings announced by companies like P&G and Microsoft. The S&P 500 was up 4 percent this week, its biggest weekly gain all year. The CBOE Volatility Index index was down 2.54% at 16.11.

So where do we go from here?

ECB Bank Stress Tests

Some 25 Eurozone banks have failed a health check by the European Central Bank. This news, reported by the Daily Telegraph and the Wall Street Journal, kicks off the new week on Monday morning. The unprecedented health check of eurozone banks comes right before the ECB assumes the role of the bloc's banking supervisor next month. Let's see how the European markets react on Monday.

Fed Meeting

All eyes will be on this week's US Federal Reserve policy meeting for confirmation that the central bank will indeed end its bond-buying program. Thus far, Fed policy has kept interest rates low to support economic recovery; it has also helped drive stock prices higher. But recent mixed signals about the strength of the U.S. recovery has prompted speculation that the Fed might let the program continue for longer than previously anticipated.

The central question then that investors are asking is whether the Fed removes the 'considerable period' for keeping the funds rate low. Will the markets go nuts again following the close of the 2-day meeting on Wednesday?

Economic data release

The economic calendar heats up this week with data on Japanese industrial production on Wednesday, the US' third-quarter GDP on Thursday and Chinese manufacturing on Saturday.

Hong Kong democracy protests

Occupy Central is entering its fifth week of protests with students and pro-democracy activists shelving their planned unofficial vote on political reform. Instead various parties will continue to negotiate the way forward because different parties still have opposing views about voting methods.

The Financial Secretary, John Tsang, says the on-going Occupy protests have already damaged government operations and the rule of law and that the conflict dragging Hong Kong into decline.

All this to look out for and another slew of Q3 earnings scheduled right through the week – BP, Facebook, Pfizer, Deutsche Bank, Kraft and Starbucks to name a few.

On Money For Nothing we'll be looking at a DNA testing startup called Dr.Gene.com.

(Dr.Gene.com/hk) We'll talk with Bill Hayton, author of *The South China Sea: the Struggle for Power in Asia'* (<http://www.billhayton.com/?projects=south-china-sea-dangerous-ground-2014>) about China's

claims of 'indisputable sovereignty' over the vast majority of the Sea, juxtaposed against its southern neighbors' assertion that all or some of the islands in the Sea rightfully belong to them. And guest host Peter Lewis will fill us on on the various tidbits he picked up at the World Federation of Exchanges about how to return trust to the financial markets. Is this even possible?

Thoughts? Questions? Ideas? Send them through I'll feed them to the expert of your choice on this week's show.

And let's not forget that it's Halloween on Friday. Hopefully the markets won't be spooked by unexpected events this week!

Yours in money,

Reenita M. Hora
Program Host