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Global equities extend gains. Shares in Asia and Europe were higher Wednesday, as strong industrial production data from China and a slew of positive earnings results from key European companies, prompted investors to increase their equity holdings. Shares were also lifted by the prospect of a persistence of near-zero U.S. interest rates. Rising global bourses have occurred against the background of a weaker dollar (which breached a 15-month low today) and higher gold prices. Global equities, as measured by the MSCI World Index, advanced 0.5% toward its highest levels in three weeks. The gauge has surged 70% thus far from 2009 lows of early March. Meanwhile, emerging market stocks posted their strongest six-day rally since July, with the benchmark MSCI-EM climbing 1% today. Europe's Dow Jones Stoxx-600 Index advanced 0.9%, while the MSCI Asia-Pacific Index added 0.7%, extending its four-day gain to 3.6%. And U.S. equities extended the global gains, with the S&P-500 advancing 0.7% to a 13-month high.

In Japan... private orders for Japanese machinery surged 10.5% in September (m/m), after rising 0.5% in August, posting the first two-month streak of rising demand for investment goods since early 2008. Machinery orders provide an indication of corporate capital spending, the decline in which appears to be bottoming out. Machinery orders fell 9% and 5% in the first two quarters of the year (q/q), but the falloff in domestic investment demand appears to be bottoming out in the third quarter, as orders slipped 0.9% (q/q), despite some volatility in month-on-month demand [see Chart at <http://gem> or <http://www.worldbank.org/gem>]. The Japanese Cabinet Office announced a new projection for business capital spending, seen to increase 1% over the fourth quarter (q/q), recording positive growth for the first since Q1-2008.

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