

US, Japanese Stocks Rise in 2013

From VOA Learning English, this is In the News.

Stock prices in the United States and Japan rose sharply in 2013. The rising prices were evidence of investors welcoming efforts to push down interest rates. Low interest rates help to reduce the cost of homes, equipment and other goods.

The leading measure of Japanese stock prices was up 57 percent last year. That was the best performance for Japan's Nikkei Index in many years. In the United States, another stock index, the S&P 500, rose almost 30 percent in 2013. Another measure of stocks, the NASDAQ Composite Index, rose 38 percent.

The share prices were up, in part, because of actions by the US and Japanese central banks. The US Federal Reserve cut short-term interest rates to almost zero a few years ago. More recently, the Federal Reserve has been working to push down long-term interest rates. The central bank has been buying billions of dollars' worth of bonds and other government securities. The bank recently announced it would reduce that program because the economy no longer needs so much help.

Nick Ventura is with Ventura Wealth Management, a financial investment company in New Jersey. He calls some of the actions by central banks a “global gamble” that has worked, at least so far. In 2013, the American economy grew and housing prices rose. At the same time, the jobless rate fell a little.

Mr. Ventura says the improving economy meant fewer wild movements in stock prices, and fewer worried investors.

“Every time that there was the slightest pullback in stock prices it was rewarded with a fresh round of buying. So there is a growing confidence in the U.S. recovery and I think that’s what really perked up the U.S. economy.”

Experts say they saw improvements in consumer and investor confidence toward the end of last year. That sense of trust seems to be making investors more willing to take small risks by purchasing shares of stock.

The Wall Street Journal says investors are simply looking for stocks with low prices and a likelihood of strong earnings. Another newspaper, The Financial Times, reports that investments said to offer safety in troubled economic times saw fewer buyers. These investments include gold and government bonds. Some experts predict stock prices will continue to climb in 2014, but at a slower rate than last year.

Over in Turkey, a deepening political crisis is affecting the country's stock market. By the end of 2013, Turkey's stock market had fallen more than 20 percent, while the value of Turkish money hit new lows.

Concerns are growing about the effects of the power struggle between the government and the judiciary. More than 20 people, including state officials, have been arrested on corruption charges.

Prime Minister Recep Tayyip Erdogan dismisses the investigation as part of a plot to bring down his government.

Last week, protesters gathered in several cities to demand the resignation of the prime minister. Thousands of supporters of Mr. Erdogan held separate demonstrations.

And that's In the News from VOA Learning English. I'm Steve Ember.