

Markets

Continued from Page D4

global financial crisis and the currency was moving two or three cents in the blink of an eye.

The Bank of England, European Central Bank and the People's Bank of China all said they were ready to provide liquidity if needed to ensure global market stability.

Shockwaves

The shockwaves affected all asset classes and regions. The safe-haven yen

jumped 3.8 percent to 102.36 per dollar, having been as low as 106.81. The dollar's peak decline of 4 percent was the largest since 1998.

Emerging market currencies across Asia and eastern Europe and South Africa's rand all buckled on fears that investors could pull out. Poland's zloty slumped 4.7 percent.

Europe's safety play, the 10-year German government bond, surged, with yields tumbling back into negative territory and a new record low.

MSCI's broadest index of Asia-Pacific shares outside Japan slid almost 3.4 per-

cent. Tokyo's Nikkei had its worst fall since 2011, down 7.9 percent.

Investors stampeded into low-risk sovereign bonds, with U.S. 10-year notes up around 1.5 points in price to yield 1.5718 percent. Earlier, the yield dipped to 1.406 percent.

The rally even extended to UK bonds, despite a warning from ratings agency Standard & Poor's that it was likely to downgrade Britain's triple-A credit rating if it left the EU. Yields on benchmark 10-year gilts fell 27 basis points to 1.096 pct.

Across the Atlantic, investors were pricing in less chance of another hike in

U.S. interest rates given the Federal Reserve had cited a British exit from the EU as one reason to be cautious on tightening.

The cost for Wall Street to fund dollar-based trades rose on Friday to the highest in nearly three months.

Oil prices slumped around 5 percent amid fears of a broader economic slowdown that could reduce demand. U.S. crude shed \$2.51 to \$47.60 a barrel while Brent fell 4.9 percent to \$48.42.

Industrial metal copper sank 1.7 percent but gold leaped nearly 5 percent higher thanks to its perceived safe-haven status.

Wall Street eyes low rates, earnings after 'Brexit' rout

BY NOEL RANDEWICH AND CAROLINE VALETKEVITCH
REUTERS

With markets reeling after Britain's vote to leave the European Union, some on Wall Street expect cooler heads to prevail over the next several sessions as investors focus domestically on the outlook for the U.S. economy and company earnings.

The unexpected decision by Britons to break away from the world's biggest trade bloc raised the specter of a slower global economy and sent stocks and currencies plunging by historic amounts on Friday.

Friday's 3.6 percent slump erased the S&P 500's gains for 2016. But even as the index suffered its worst one-day drop in 10 months, some U.S. investors looked for reasons to expect more upbeat trading next week.

They pointed to expectations that U.S. interest rates would remain low, that upcoming reports would show U.S. corporate earnings had recently improved and that Britain's breakup with the EU would be gradual, and not economy-wrecking.

"I don't think this is a catalyst that's going to cause a bear market in this country at all. People should not

be going 'the world is coming to an end.' It's not," said Ken Polcari, director of the NYSE floor division at O'Neil Securities in New York.

U.S. companies do stand to lose from Britain's divorce from the EU, a process expected to take two years to negotiate.

Britain was the fifth-largest buyer of U.S. exports last year, with \$56 billion in purchases, according to U.S. Census Bureau estimates. A stronger dollar versus the pound and other currencies would inevitably hurt U.S. companies selling abroad.

"There's going to be a lot of

reconsideration, pausing, certain deals that were contemplated are going to change," said Steve Massocca, chief investment officer at Wedbush Equity Management.

Fed Chair Janet Yellen is scheduled to speak at an event in Portugal on Wednesday and investors will want to know how she sees the so-called Brexit changing the outlook for the U.S. economy and interest rates.

Traders have completely priced out any chance of a Fed rate hike this year and are even weighing the possibility of a rate cut, federal funds rate futures suggest.

SEEKING CHIEF OPERATING OFFICER

Kennebec Technologies in Augusta, Maine, is seeking a Chief Operating Officer to lead and grow the company.

Unique opportunity for an experienced leader interested in growing a successful aerospace contract manufacturing company with a blue-chip customer base.

This is a professional growth opportunity for an individual with a desire to transition to CEO status as part of a succession plan.

In addition to generous benefits, you'll experience genuine ownership under our recently established ESOP structure.

LEARN MORE: kennebec.com/coo

Kennebec Technologies is an Equal Opportunity Employer.

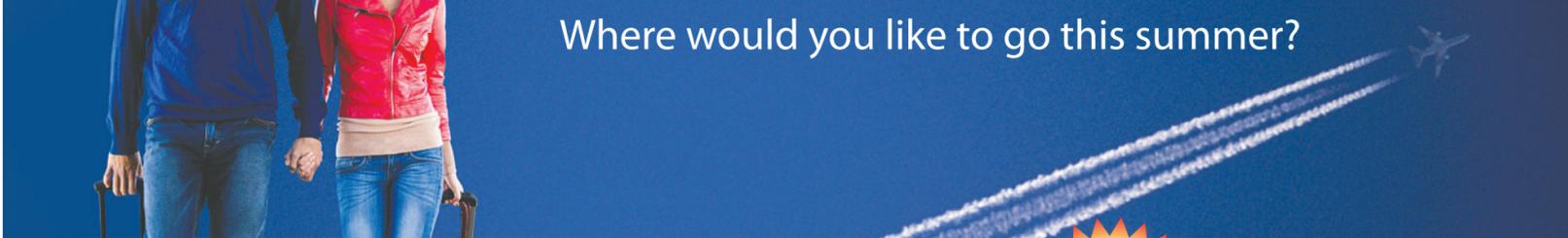


www.kennebec.com

GET CREATIVE

store.bangordailynews.com

Where would you like to go this summer?



From Bangor International Airport, our nonstop flights on Allegiant, American, Delta and United make summer travel to major US cities simple. And with easy connecting flights, you could find yourself anywhere in the world.

So maybe the question should be...where would you *love* to go?

New Non-Stops
to Newark/NYC and
Connections to
the World.



FlyBangor.com

VARNEY

MAZDA

COME TEST DRIVE A NEW MAZDA TODAY

2016 Mazda CX-5 Sport

LEASE FOR
\$289/MONTH
36 months, 36,000 miles, with \$289 due @ signing*



- 2.5 L Engine
- AWD
- Bluetooth
- Alloy Wheels
- Roof Side Rails
- Tows 2000 LBS
- 24/30 MPG
- VIN JM3KE4BY4G0754993
- STOCK #M1016

2016 Mazda CX-3

\$23,455
-\$500 BONUS APR CASH
\$22,955
@ 1.9% APR FINANCING FOR 63 MO.



- All Wheel Drive
- MAZDA CONNECT™ Infotainment System
- Blind Spot Monitoring System
- VIN JM1DKBC77G0123739
- Stock #9969

2016 Mazda6 Sport

LEASE FOR
\$259/MONTH
36 months, 36,000 miles, with \$259 due @ signing*



- Alloy Wheels
- Backup Camera
- Bluetooth
- MAZDA CONNECT™ Infotainment System
- 26/38 MPG
- VIN JM1GJ1U50G1453434
- ASTOCK #9988

2016 Mazda3 i Sport

LEASE FOR
\$199/MONTH
36 Months, 36,000 Miles With \$1,300 Due At Signing.



- MAZDA CONNECT™ Infotainment System
- Backup Camera
- Bluetooth
- 30/41 MPG
- VIN JM1BM1T79G1315816
- STOCK #M1008

2016 Mazda CX-5 Grand Touring

BUY FOR
\$31,990



- Mazda Mobile Start
- GT i-ACTIVSENSE® Package: Radar Cruise Control, Distance Recognition Support System, Lane Departing Warning System, High Beam Control.
- Grand Touring Technology Package: Navigation, Smart City Brake Support, LED Headlights, Fog Lights and Daytime Running Lights, LED Tail Lights, Auto Dim Mirror with Home Link.
- VIN JM3KE4DY9G0705754
- STOCK #9959

2016 Mazda MX-5 Miata

BUY FOR
\$29,490



- 6 spd manual
- Advanced Keyless Entry System
- Navigation
- Sirius Satellite Radio
- Grand Touring Package
- LED Daytime Running Lights
- 27/34 MPG
- Lane Departure Warning
- Blind Spot Warning
- VIN JM1NDAD73G0109232
- Stock # M1033