

# MARKET UPDATE

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## Dollar drifts higher.

The dollar drifted slightly higher on Wednesday in indecisive trading as a lack of clarity on President Donald Trump's plans for tariffs kept financial markets guessing.

Trump said late on Tuesday that his administration was discussing imposing a 10% tariff on goods imported from China on Feb. 1, the same day that he previously said Mexico and Canada would face levies of around 25%.

He also vowed duties on European imports, without providing further details.

Despite those threats, a lack of specific plans from Trump's first day in office saw the dollar start the week with a 1.2% slide against a basket of major peers. It stabilized on Tuesday, ending flat after an attempted rebound fizzled, with U.S. officials saying any new taxes would be imposed in a measured way.

The dollar index, which tracks the currency against six top rivals, was flat at 108.14 as of 0625 GMT.

The dollar rose 0.23% to 155.87 yen, while the euro slipped 0.17% to \$1.0410, while sterling eased 0.13% to \$1.2343.

## Asia stocks rise as tech surges on AI cheer.

Most Asian stocks rose on Wednesday, with technology shares in the lead after OpenAI announced a massive partnership to build more artificial intelligence infrastructure in the U.S.

But Chinese markets lagged, falling sharply after U.S. President Donald Trump raised the prospect of increased trade tariffs on the country by as soon as February.

Focus this week is also on a Bank of Japan meeting, where the central bank is expected to raise interest rates amid improving economic growth and rising inflation.

Asian markets took positive cues from Wall Street, which closed higher on strength in tech stocks. U.S. stock index futures rose in Asian trade, with blowout earnings from Netflix Inc (NASDAQ:NFLX) adding to the positive sentiment. Netflix surged over 10% in aftermarket trade.

Asian tech surges as OpenAI announces \$500 bln partnership

Tech-heavy Asian bourses were the best performers in Asia on Wednesday, with Japan's Nikkei 225 index adding 1.5%, while South Korea's KOSPI rose 0.6%.



## Gold prices hit 11-week high on safe-haven demand.

Gold prices edged higher to an 11-week high in Asian trading on Wednesday, extending gains for a third consecutive session as safe-haven demand grew amid U.S. tariff fears under President Donald Trump's administration.

Spot Gold rose 0.2% to \$2,749.29 per ounce, its highest level since early November, while Gold Futures expiring in February gained 0.2% to \$2,766.57 an ounce by 01:45 ET (06:45 GMT).

The yellow metal was set for a third straight day of gains, as traders remained cautious while trying to gauge Trump's policies, which are expected to elevate inflation. Gold is seen as a hedge against inflation.

The dollar had fallen sharply on Monday after Trump avoided details on the imposition of U.S. trade tariffs, further supporting gold prices.

Bullion supported by 'safe-haven' demand amid global uncertainty

The precious metal, traditionally viewed as a safe-haven asset, has maintained its price above a one-month peak roughly since last week. This reflects that markets are bracing for global uncertainty as Trump's policy announcements and tariff declarations are expected to influence market dynamics.

Trump said on Tuesday he is considering imposing 10% tariffs on Chinese imports from February 1, and also vowed to hit the European Union with tariffs.

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