

MARKET UPDATE

02/03/2025

Asia stocks plunge as Trump tariffs spark.

Asian stocks slumped on Monday in a broad-based sell-off as U.S. President Donald Trump's declaration of trade tariffs on China, Canada, and Mexico, ignited fears of a global trade war and significantly eroded risk sentiment.

U.S. stock index futures also tumbled during Asian trading after Trump's announcement on Saturday, in anticipation of higher inflation arising from the tariffs.

Japan, S. Korea stocks drop 3% each on Trump tariffs

The tariffs, which include a 25% additional levy on imports from Canada and Mexico and a 10% tariff on Chinese goods, have led to retaliatory measures from the affected countries.

Canada and Mexico have announced plans to impose their own tariffs on U.S. goods, while China intends to challenge the U.S. actions at the World Trade Organization.

This escalating tension has heightened concerns about disruptions to international trade, which could adversely affect export-dependent Asian economies.

Bitcoin tumbles to \$91k.

Bitcoin fell sharply on Monday, highlighting a broader decline across cryptocurrency prices as risk appetite was battered by U.S. President Donald Trump imposing trade tariffs on China, Canada, and Mexico.

Losses in crypto followed an over 1.5% slump in Wall Street futures, as traders positioned for a renewed trade war after Trump imposed 25% import duties on Canada and Mexico, and a 10% tariff on China.

All three countries vowed retaliation, further undermining risk appetite.

Bitcoin slid as much as 10% to \$91,695.8, while world no.2 crypto Ether slumped 22.7% to \$2,434.84.

\$TRUMP- a memecoin launched by the President in January- slid over 15% to a record low of \$16.349.

Trump's tariffs largely offset the prospect of friendlier crypto regulations under the 47th President. His recent executive order calling for a crypto regulatory framework also sparked little enthusiasm within markets.

Gold prices fall from record highs.

Gold prices fell from record highs on Monday, coming under pressure from a sharp rise in the dollar after U.S. President Donald Trump imposed trade tariffs on China, Canada, and Mexico.

But the yellow metal's decline is expected to be short-lived, given that it was sitting on a strong run-up over the past week, as a rout in global equity markets and anticipation of Trump's tariffs ramped up safe haven demand.

The dollar surged to a near one-month high, and was back in sight of an over two-year peak after the tariffs were confirmed.

Spot gold fell 0.7% to \$2,780.56 an ounce, while gold futures expiring in April fell 0.8% to \$2,810.30 an ounce by 23:38 ET (04:38 GMT). Spot prices hit a record high of \$2,817.57 an ounce last week.

Gold pressured by dollar spike as tariffs point to higher inflation

Trump imposed 25% tariffs on Canadian and Mexican imports, along with a 10% duty on China. All three countries balked at the tariffs and vowed retaliation.

Trump had largely telegraphed the tariffs last week, before signing an executive order imposing them on Saturday. The tariffs will take effect from Tuesday.

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