

MARKET UPDATE

06/02/2025

Dollar slumps to 8-week low vs yen.

The U.S. dollar slumped to an eight-week trough to the yen and lingered near a one-month low versus sterling on Thursday, as investor nerves about an inflation-stoking global trade war abated.

Japan's currency was also supported by rising expectations for further Bank of Japan interest-rate hikes with a central bank official advocating continued rate hikes, a day after strong wage data.

Sterling was firm even with the Bank of England widely expected to cut rates by a quarter point later in the day.

The dollar sank 0.5% to 151.81 yen by 0140 GMT, the lowest since December 12, adding to a 1.1% slide on Wednesday.

Sterling was steady at \$1.2509, after rising as high as \$1.2550 in the previous session for the first time since January 7.

The dollar index - which measures the U.S. currency against the euro, sterling, yen and three other major peers - stood at 107.57, not far from its overnight low of 107.29.

Asia stocks rise on AI optimism.

Most Asian stocks were higher on Thursday as the broader tech sector rose tracking Wall Street gains, though escalating U.S.-China trade tensions tempered overall optimism.

U.S. stock index futures edged higher in Asian trade after Wall Street saw gains in tech stocks after NVIDIA (NASDAQ:NVDA) forecasted solid capital spending on artificial intelligence.

Tracking their peers, heavyweight Asian tech stocks were also on the rise, leading to broad-based gains in the region.

Regional tech stocks jump on AI optimism

Despite the imposition of 10% tariffs by the Donald Trump administration on Chinese goods, China's AI sector, led by companies like DeepSeek, has demonstrated resilience, bolstering investor confidence.

The enthusiasm surrounding DeepSeek has been a key factor in offsetting concerns related to the ongoing trade tensions between the U.S. and China.



Bitcoin price today ticks down to \$97.7k.

Bitcoin remained largely stable on Friday as risk appetite stayed subdued amid escalating U.S.-China trade tensions, while MicroStrategy, the largest corporate holder of Bitcoin, posted its fourth consecutive quarterly loss.

Bitcoin was 0.3% weaker at \$97,742.7 by 00:35 ET (05:35 GMT).

Bitcoin muted amid US-China trade war fears

Escalating trade tensions between the U.S. and China have recently exerted significant pressure on the cryptocurrency market.

Last week, President Donald Trump implemented a 10% tariff on Chinese imports, citing national security concerns. China responded with retaliatory tariffs on U.S. goods, including liquefied natural gas, coal, crude oil, and farm equipment.

These actions have intensified fears of a prolonged trade war, prompting a shift towards safe-haven assets.

Investor sentiment has been further dampened by concerns over potential inflation resulting from the tariffs, which could weigh on liquidity.

MicroStrategy reports 4th straight quarterly loss, shares down

MicroStrategy Incorporated (NASDAQ:MSTR), now rebranded as "Strategy," reported a fourth-quarter net loss of \$670.8 million, compared with a \$89.1 million profit last year. This was the company's fourth straight quarterly loss.

Despite this, Strategy expanded its Bitcoin holdings during the quarter, purchasing 218,887 bitcoins for \$20.5 billion, bringing its total to 471,107 bitcoins valued at \$45.6 billion.

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