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MARKET UPDATE

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Asia stocks mixed after fresh Trump tariffs.

Asian stocks had a mixed start to the week, with most indices retreating after fresh tariff announcements from U.S. President Donald Trump, while Chinese shares extended their rally on optimism around AI and fresh stimulus hopes following weak inflation data.

U.S. stock index futures were higher in Asia hours on Monday.

Asia mining stocks drop after Trump tariffs on steel, aluminium imports

Most Asian stock markets were under pressure after Trump announced new 25% tariffs on all steel and aluminium imports.

This move has heightened concerns over escalating trade tensions and their potential impact on the global economy.

China's retaliatory tariffs on U.S. goods are set to take effect later in the day, and is further contributing to a subdued sentiment.

Gold prices hit record high.

Gold prices rose to record highs on Monday, buoyed by increased safe haven demand after U.S. President Donald Trump announced more trade tariffs, this time aimed at commodity imports.

Trump also flagged the potential for more tariffs this week, keeping markets largely on edge. Risk-driven assets retreated across Asia, while the dollar firmed.

But strength in the dollar did little to limit gold's near-term advance.

Spot gold rose 1.1% to a record high $2,892.30 an ounce, while gold futures expiring in April rose 0.9% to $2,916.05 an ounce.

Trump announces 25% tariffs, sends traders running for gold

Trump on Sunday said he will impose 25% trade tariffs on all imports of aluminium and steel to the U.S., sparking jitters over more headwinds to global trade.

Trump also flagged plans for reciprocal tariffs, which will see U.S. import duties increased to match those imposed by the country's other trading partners.

The announcement came just days after Trump's 10% tariffs against China took effect. Beijing had retaliated with its own trade measures against the tariffs.

Asia FX falls as Trump tariffs boost dollar.

Most Asian currencies weakened on Monday while the dollar firmed after U.S. President Donald Trump said he will impose tariffs on metal imports, with the Japanese yen falling the most among its peers.

The Chinese yuan also weakened as January inflation data underwhelmed, pointing to little improvement in the country's persistent deflationary trend.

The dollar firmed in Asian trade, recouping all of last week's losses as markets braced for more protectionist measures from Trump. The U.S. president also said he will impose reciprocal tariffs on major trading partners.

Trump had last week imposed a 10% duty on China, drawing ire and retaliation from Beijing. This kept sentiment towards regional markets weak, as traders braced for a renewed global trade war.

Trump announces 25% tariffs on steel, aluminium: dollar firms

The dollar index and dollar index futures both rose 0.3% in Asian trade, recouping all of their losses from last week.

The greenback was boosted by Trump stating that he will impose 25% tariffs on all U.S. imports of aluminum and steel- a move that stands to impact South Korea and Japan the most.

Trump also reiterated plans to bring import duties in line with those charged by major U.S. trading partners on U.S. exports. The European Union has been a major target of his criticism over unfair trade duties.

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