

# MARKET UPDATE

11/02/2025

## Asia stocks fall.

Most Asian stocks declined on Tuesday as renewed U.S. tariffs under President Donald Trump fuelled a broader risk-off sentiment, while a holiday in Japan kept trading volumes subdued.

U.S. stock index futures were also lower in Asia hours on Tuesday.

Global investors cautiously await the U.S. consumer price inflation data due on Wednesday to assess the Federal Reserve's rate outlook.

Asia stocks fall amid US tariffs, traders flock to safe-haven assets

Asian stocks faced pressure as Trump's fresh tariffs on aluminium and steel, combined with existing tariffs on Chinese imports, fuelled a broader risk-off sentiment in global markets.

Investors grew increasingly wary of escalating trade tensions, which threatened to slow economic growth and disrupt supply chains across key industries.

The uncertainty led to widespread sell-offs across major Asian indices, with investors shifting toward safe-haven assets such as bonds and gold.

## Gold soars as investors weigh Trump's latest tariff threat.

Gold shot to a record high, the dollar was firm and stocks were subdued on Tuesday as investors braced for further shifts in U.S. trade policy and waited to hear from Federal Reserve Chair Jerome Powell on tariffs and inflation.

Trump on Monday raised tariffs on steel and aluminium imports to 25%, pushing up share prices of U.S. steelmakers, and has promised to announce global reciprocal tariffs within days.

Yet he also said he was considering an exemption for Australia, after a call with Australia's Prime Minister - seemingly confirming investor assumptions that everything is negotiable.

Retaliatory Chinese duties on U.S. energy and some goods came into effect on Monday, though the Hang Seng notched four-month peaks as investors wagered on an eventual deal. The Hang Seng was last about 0.4% lower but it has rallied more than 12% in a month on investor enthusiasm for artificial intelligence and chip stocks.



## UniCredit posts €9.7 bln profit.

UniCredit (ETR:CRIG) on Tuesday reported strong FY24 results, achieving a stated net profit of €9.7 billion, up 2% YoY.

Excluding deferred tax assets (DTA), net profit stood at €9.3 billion, an 8% increase, while underlying net profit, excluding €1.3 billion in extraordinary charges, was €10.3 billion.

The bank maintained a strong RoTE of 17.7%, rising to 20.9% on a 13% CET1 ratio, and EPS surged by 22% to €5.74.

Total (EPA:TTEF) net revenue grew 4% YoY to €24.2 billion, driven by fees up 8% to €8.1 billion on strong client activity and product expansion. Net interest income (NII) rose 3% to €14.4 billion, showing resilience despite a challenging rate environment.

Costs were €9.4 billion, down 1% YoY, keeping UniCredit's cost/income ratio at an industry-leading 37.9%, even after absorbing inflation and strategic investments.

"The macroeconomic and geopolitical backdrop remains complicated and unpredictable. We are however well positioned to absorb a normalization of interest rates and cost of risk and cost inflation," said Andrea Orcel, chief executive at UniCredit in a statement.

Net revenue for the quarter was €5.6 billion, including €2.0 billion in fees (up 8.9% YoY) and €3.7 billion in NII.

The cost of risk (CoR) increased by 34 basis points, resulting in LLPs of €357 million in the fourth quarter. Overlays totalled €1.7 billion, supporting CoR at 15 basis points for the whole year.

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