

MARKET UPDATE

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Asia stocks rise as China tech rally.

Asian stocks rose on Thursday as an artificial intelligence-fuelled rally in China and reports of dealmaking activity in Japan's technology sector helped offset headwinds from hot U.S. inflation data.

Broader technology stocks in Asia also rose amid persistent hopes that AI will continue to underpin the sector in the coming years.

Risk appetite was also aided by U.S. President Donald Trump talking up a peace treaty between Russia and Ukraine, which could mark an end to the three year-long conflict. Oil prices tumbled on this notion.

Regional markets mostly brushed off a middling lead-in from Wall Street, as U.S. stocks fell in overnight trade following stronger-than-expected consumer price index inflation data. The reading further dented expectations of lower interest rates.

But losses were limited by a batch of strong earnings, with U.S. stock index futures also rising in Asian trade.

Still, risk appetite remained skittish in the face of higher trade tariffs under U.S. President Donald Trump, who imposed steep tariffs on commodity imports this week and threatened to introduce reciprocal tariffs on major U.S. trading partners.

Oil prices slide.

Oil prices fell in Asian trade on Thursday as U.S. President Donald Trump talked up a potential peace treaty between Russia and Ukraine, which could potentially free up Russian oil supply curbed by U.S. sanctions.

Markets were also digesting a hotter-than-expected U.S. consumer price index inflation reading, which furthered the notion that U.S. interest rates will remain high for longer.

Trump's tariff agenda also kept markets on edge, after he imposed tariffs on metal imports this week and also threatened reciprocal tariffs against major U.S. trading partners.

Brent oil futures expiring in April fell 0.9% to \$74.51 a barrel, while West Texas Intermediate crude futures fell 0.9% to \$70.61 a barrel by 21:35 ET (01:35 GMT).

Weak U.S. inventory data- which showed a bigger-than-expected build in oil stockpiles- also pressured prices.

Global stocks rally on Ukraine peace hopes.

U.S. and European stock futures rallied on Thursday on optimism over prospects of a peace deal between Ukraine and Russia, offsetting a jump in Treasury yields as higher inflation threatens to close the door to any policy easing this year.

Trade war jitters persisted as U.S. President Donald Trump said he would impose reciprocal tariffs on Wednesday or Thursday on every country that charges duties on U.S. imports. Gold prices climbed back towards the record reached on Tuesday.

The euro (EUR=EBS) extended an overnight bounce, last up 0.5% in Asia to \$1.0433, helped by Trump's phone calls with Russian President Vladimir Putin and Ukraine's Volodymyr Zelenskiy, which raised hopes that the years-long war could be nearing an end.

Oil prices fell for a second day, testing some key support levels, while EUROSTOXX 50 futures climbed 1%, pointing to a higher open for European markets.

Nasdaq futures rose 0.4% and S&P 500 futures gained 0.2%.

Japan's Nikkei gained 1.4% thanks to a much weaker yen. MSCI's broadest index of Asia-Pacific shares outside Japan rose 1.2% to the highest since early December.

"There were pretty significant moves like in the euro and European assets. The spectre of war has definitely hung pretty heavy over the region," said Kyle Rodda, a senior analyst at Capital.com.

"The optimism is probably somewhat premature."

Chinese blue chips were 0.2% higher and Hong Kong's Hang Seng index extended its bullish run, up 2.5% to another four-month high.

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