

MARKET UPDATE

19/02/2025

Gold prices stall near record highs.

Gold prices fell slightly in Asian trade on Wednesday, but remained close to record highs as U.S. President Donald Trump threatened to impose more trade tariffs on key imports to the country.

Uncertainty over interest rates also grew before more cues from the Federal Reserve this week, with the minutes of the central bank's January meeting due later in the day.

Gold turned rangebound near record highs in recent sessions as markets grappled with some easing in haven demand, especially amid talks of a U.S.-brokered Russia-Ukraine peace treaty.

Markets also marked a relatively less pronounced negative reaction to Trump's latest tariff threat, amid hopes that the President will use tariffs more as a negotiation tactic.

Spot gold fell 0.2% to \$2,929.02 an ounce, while gold futures expiring in April fell 0.1% to \$2,946.22 an ounce by 00:27 ET (05:27 GMT).

Trump flags 25% tariffs on autos, drugs, and chips

Trump on Tuesday evening said he will impose 25% tariffs on all automobile, pharmaceuticals and semiconductor imports, as he criticized allegedly unfair trading practices with other major economies.

Dollar firm on Ukraine tensions.

The U.S. dollar steadied on Wednesday as investors eyed tariff threats and tense Russia-Ukraine negotiations, while the New Zealand dollar clawed back losses after the central bank indicated its aggressive rate cuts were set to slow.

The Reserve Bank of New Zealand reduced its benchmark rate by 50 basis points to 3.75% on Wednesday as widely expected. The latest cut brings the cumulative easing to 175 basis points since August as the RBNZ aims to support a sluggish economy.

But while the central bank signalled that more rate reductions are to come, it also suggested that further moves would be smaller with the end of the easing cycle coming closer into view.

The kiwi was last up 0.28% at \$0.572.

Economists at Westpac are calling for quarter basis point reductions at the RBNZ's meeting in April and May.

Bitcoin price today ticks lower to \$95.3k.

Bitcoin ticked lower on Wednesday, marking its fourth consecutive day of declines, as risk sentiment remained subdued amid fresh trade tariff threats from U.S. President Donald Trump and cautious anticipation of the Federal Reserve's latest meeting minutes.

The world's largest cryptocurrency inched 0.4% lower to \$95,347.5 by 01:17 ET (6:17 GMT).

Despite the recent pullback, Bitcoin has largely traded within a narrow range over the past week, reflecting a lack of clear directional momentum. Traders remain on the sidelines, awaiting clearer signals on macroeconomic trends and regulatory developments.

Trump threatens fresh tariffs; Fed meeting minutes on tap

President Trump has announced plans to impose around 25% tariffs on imports of automobiles, semiconductors, and pharmaceuticals, with potential increases over the year.

This move aims to protect U.S. industries and encourage companies to relocate operations domestically. The tariffs are expected to be confirmed by April 2, following a trade policy review.

Adding to the cautious tone, investors are awaiting the release of the Federal Reserve's January meeting minutes, due later in the day, for clues on the central bank's interest rate trajectory.

Recent U.S. economic data and comments from Fed officials, have fuelled speculation that the Fed may hold rates higher for a longer- than-expected period, which could strengthen the U.S. dollar and further pressure Bitcoin.

Important Note: The information found on Ausprime platform is intended only to be informative, is not advice nor a recommendation, nor research, or a record of our trading prices, or an offer of, or solicitation for a transaction in any financial instrument and thus should not be treated as such. The information provided does not include any specific investment objectives, financial situation and needs of any specific person who may receive it. The past performance is not a reliable indicator of future performance and/or results. Past Performance or Forward-looking scenarios are not a guarantee of future performance. Actual results may differ materially from those anticipated in forward-looking or past performance statement