

MARKET UPDATE

27/02/2025

Dollar bolstered.

The U.S. dollar firmed above an 11-week trough on Thursday as vague pledges from U.S. President Donald Trump to impose tariffs on Europe and further delays to levies planned for Canada and Mexico stoked uncertainty.

The euro edged further from a one-month high of \$1.0529 hit in the previous session, as traders took a wait-and-see approach to Trump floating the idea on Wednesday of a 25% "reciprocal" tariff on European cars and other goods.

Trump also said steep 25% tariffs on Mexican and Canadian goods could take effect on April 2 instead of the previously stated deadline of March 4.

Asia stocks slides from 3-yr high on Trump tariffs.

Most Asian stocks crept lower on Thursday with Hong Kong shares sliding from a three-year peak after U.S. President Donald Trump threatened to impose more global trade tariffs, while positive earnings from Nvidia did little to buoy technology stocks.

Regional technology shares retreated, tracking aftermarket declines in Nvidia. While the company did clock strong earnings and present an upbeat guidance, its shares fell as much as 2% in aftermarket trade, amid a growing storm of external uncertainties over its medium-to-long-term prospects.

Broader Asian markets took middling cues from a flat overnight close on Wall Street, which saw little relief from a raft of recent declines. Sentiment was mixed after Trump said 25% tariffs against Europe could come soon. But he also signaled a potential extension in a March 2 deadline for 25% duties against Canada and Mexico, to early-April.

U.S. stock index futures fell slightly in Asian trade. Investors are now awaiting a slew of key U.S. economic readings, including GDP and PCE price index data, both due in the coming days.

Hong Kong falls from 3-yr peak; China dips.

Hong Kong's Hang Seng index fell 0.6% after hitting a three-year high earlier in the session. This came amid some profit-taking in local markets, following a stellar, AI fueled rally over the past month.

European markets slide as Trump threatens EU tariffs.

European markets traded lower on Thursday after U.S. President Donald Trump vowed to impose 25% tariffs on imports from the European Union.

At 03:15 ET (08:15 GMT), Germany's DAX was down 1%, France's CAC 40 slipped 0.3%, while the UK's FTSE 100 remained unchanged.

Speaking during his first Cabinet meeting on Wednesday, Trump confirmed that duties against Canada and Mexico would take effect on April 2 and that his trade war will include a 25% tariff on goods from the EU.

Amid the trade tensions, investors are also watching key economic data releases, including Spain's inflation rate, Italy's business and consumer confidence figures, and eurozone economic sentiment indicators, which could provide further insights into the region's economic health.

Rolls-Royce (OTC:RYCEY) surges past expectations with strong earnings

Rolls-Royce exceeded expectations in 2024, reporting a 16% revenue increase to £17.8 billion and significant beats on operating profit (£2.5 billion) and free cash flow (£2.4 billion), driven largely by a 23% surge in Civil Aerospace revenue. The company's shares jumped over 15% in early trading.

This strong performance has prompted the company to upgrade its financial forecasts, projecting 2025 operating profit and free cash flow 8% above market consensus, and putting it on track to achieve key financial targets ahead of schedule, according to Morgan Stanley analysts.

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