

MARKET UPDATE

07/03/2025

Stocks stumble.

Investor sentiment was fragile on Friday following a turbulent week besieged by confusion over U.S. trade policy and a global rise in borrowing costs, as stocks and risk currencies fell, though a steep selloff in bonds abated.

Focus for financial markets later in the day will be on the U.S. nonfarm payrolls report, followed by a speech from Federal Reserve Chair Jerome Powell, which could provide more clarity on the outlook for rates in the world's biggest economy.

Overnight the Nasdaq confirmed it has been in a correction since peaking last December, as Wall Street faces headwinds from a darkening outlook for U.S. growth and uncertainty over President Donald Trump's tariff policies.

U.S. stock futures regained some lost ground on Friday, with Nasdaq futures rising 0.24% and S&P 500 futures tacking on 0.11%.

But European futures tumbled, with EUROSTOXX 50 futures sliding 0.94%. DAX futures sank 1.2%, while FTSE futures lost 0.5%.

Japan's Nikkei similarly fell to a six-month low, while MSCI's broadest index of Asia-Pacific shares outside Japan shed 0.75%.

Bitcoin price today sinks as low as \$84k.

Bitcoin fell on Friday after U.S. President Donald Trump's unveiling of a strategic reserve for the crypto sparked little cheer, given that it entailed no government-funded purchases of digital assets.

But the world's biggest cryptocurrency pared a bulk of its initial losses, as analysts argued that the reserve still represented a positive development for crypto markets.

Broader crypto prices also sank, with Solana, Ether, Cardano, and XRP- which will be part of a digital asset reserve proposed by Trump- seeing few gains.

Bitcoin fell 4.8% to \$88,296.5 by 00:46 ET (05:46 GMT). The world's biggest cryptocurrency had fallen as low as \$84,000 shortly after Trump's crypto czar, David Sacks, announced plans for the reserve.

Trump signs executive order for Bitcoin reserve

Sacks said in a social media post that Trump had on Thursday evening signed an executive order to form a Bitcoin strategic reserve.



. US dollar drifts near 4-month low.

The U.S. dollar wallowed near a four-month low on Friday as ever-shifting tariff policies fanned uncertainty and increased concern about growth prospects for the world's largest economy, leaving investors grasping for jobs data due later in the day.

Another reprieve of levies aimed at Mexico and Canada announced by U.S. President Donald Trump on Thursday offered little relief to whiplashed markets, keeping the safe-haven yen not far off its strongest against the greenback since early October, while the Swiss franc hit a three-month peak of 0.8814.

The greenback also lost some ground against the Canadian dollar and Mexican peso following the announcement.

The exemption expires on April 2 when Trump said he will impose reciprocal tariffs on all U.S. trading partners.

Following a slew of mixed economic data out of the United States this week, focus on Friday falls on U.S. nonfarm payrolls numbers as market participants assess whether the economy is headed for a cool-down in growth.

"The signs that U.S. exceptionalism is on the wane continue to increase" and the dollar has "fallen out of favour" amid the uncertainty, with the perceived inflationary impact of tariffs no longer enough to support it, said Kieran Williams, head of Asia FX at InTouch Capital Markets.

"Ahead of the NFP survey, evidence has tilted towards a softer outcome. If this transpires it could spook markets further," he said.

Against a backdrop of federal job cuts, the U.S. likely added 160,000 jobs in February compared with 143,000 in January, while the unemployment rate is expected to have held steady at 4.0%, economists forecast in a Reuters poll.

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