

MARKET UPDATE

13/03/2025

Asia stocks gain on US tech rebound.

Most Asian stocks rose on Thursday with shares in Japan and South Korea tracking an overnight rebound in U.S. tech stocks, but gains were limited amid fresh tariff threats from U.S. President Donald Trump.

Major U.S. stock indexes closed higher on Wednesday, while their futures edged higher in Asian trading as a cooler-than-expected inflation reading provided respite.

Asia tech stocks rise as Nasdaq jumps after soft CPI

In the U.S., the NASDAQ Composite jumped 1.2% overnight following softer-than-expected February Consumer Price Index (CPI) data.

The CPI indicated a cooling of inflation, with both the overall CPI and core CPI rising only 0.2% month-on-month, below expectations.

The positive sentiment in Asia was largely driven by gains in technology stocks, which benefited from the U.S. market's performance.

Investors were encouraged by the cooling inflation data, which could influence the Federal Reserve's monetary policy decisions.

Gold prices rise on soft CPI data.

Gold prices rose in Asian trading on Thursday as soft inflation print in the U.S. supported interest rate cut bets, while President Donald Trump's fresh tariff threats kept bullion's safe-haven appeal intact.

Spot Gold rose 0.4% to \$2,945.18 per ounce, while Gold Futures expiring in April gained 0.2% to \$2,953.62 an ounce by 00:56 ET (04:56 GMT).

Gold rises as cooling inflation data backs rate-cut bets

The U.S. Consumer Price Index (CPI) increased by 0.2% in February, leading to an annual rise of 2.8%, slightly below the anticipated 2.9% and down from January's 3.0% gain.

This moderation in inflation has reinforced expectations that the Federal Reserve may consider cutting interest rates in the near future.

Markets are currently pricing in three rate cuts this year, with the first cut of 2025 in June, according to the Fedwatch tool.

Oil dips amid economic concerns.

Oil prices edged down on Thursday after a surge in the previous session on a larger than expected draw in U.S. gasoline stocks, as markets weighed prevailing macroeconomic concerns against firm near-term demand expectations.

Brent futures were down 3 cents to \$70.92 a barrel at 0704 GMT, while U.S. West Texas Intermediate crude futures were down 8 cents to \$67.60 a barrel.

Both benchmarks rallied about 2% on Wednesday as U.S. government data showed tighter than expected oil and fuel inventories.

U.S. gasoline inventories fell by 5.7 million barrels, more than the 1.9 million-barrel draw expected by analysts, while distillate stocks also dropped more than anticipated - despite gains in crude stocks. [EIA/S]

"Declining U.S. gasoline inventories raised expectations for a seasonal demand increase in spring, but concerns about the global economic impact of tariff wars weighed on the market," said Hiroyuki Kikukawa, chief strategist of Nissan (OTC:NSANY) Securities Investment.

"With strong and weak factors progressing simultaneously, it has become difficult for the market to lean decisively in one direction or the other," he added.

Donald Trump threatened on Wednesday to escalate a global trade war with further tariffs on European Union goods, as major U.S. trading partners said they would retaliate for trade barriers already erected by the U.S. president.

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