

MARKET UPDATE

31/03/2025

Asia stocks slide as Trump tariffs loom.

Most Asian stocks fell sharply on Monday as risk aversion grew in anticipation of more trade tariffs from U.S. President Donald Trump this week, while Chinese markets declined despite strong business activity data.

Regional markets also took a weak lead-in from Wall Street, which plummeted on Friday after a key inflation gauge read stronger than expected for February. U.S. stock index futures sank in Asian trade on Monday.

Concerns over Trump's tariffs rose sharply after a Wall Street Journal report said he was considering bigger and broader tariffs against major U.S. trading partners.

Trump is set to unveil a host of reciprocal tariffs on April 2, and could also impose tariffs on key commodities, semiconductors, and pharmaceuticals. He had last week announced 25% tariffs on all foreign-made cars in the U.S.

Uncertainty over Trump's tariffs saw most Asian markets nursing steep losses in March, as investors fled risk-driven assets in the face of trade and economic disruptions across the globe.

Gold prices hit record high above \$3,100/oz.

Gold prices rose sharply in Asian trade on Monday, hitting a record high as safe haven demand was boosted by reports that U.S. President Donald Trump was considering imposing broader and bigger trade tariffs this week.

The yellow metal had a strong run-up through March, hitting a series of record highs as investors turned increasingly risk-averse amid concerns over Trump's tariffs and their economic impact.

Heightened fears of a U.S. recession also furthered gold's advance, with Goldman Sachs now forecasting a 35% chance of a U.S. recession in the next 12 months.

Broader metal markets mostly retreated, as did the dollar, which benefited bullion prices.

Trump tariff jitters erode risk, boost gold

Gold was buoyed chiefly by increased safe haven demand, after a Wall Street Journal report said Trump was considering higher tariffs against a broader group of countries, as he prepares to announce plans for reciprocal tariffs on April 2.

Bitcoin price today \$81k.

Bitcoin fell to a near two-week low on Monday, extending recent declines as fears of more severe trade tariffs under U.S. President Donald Trump eroded demand for risk-driven, speculative assets.

Broader risk appetite was also pressured by increasing fears of a U.S. recession, especially after Goldman Sachs said it saw a greater possibility of a slowdown in 2025.

Bitcoin traders in particular were also spooked by on-chain data showing about 4000 Bitcoins, worth about \$332 million, were transferred onto crypto exchange Kraken. Movement of tokens onto an exchange usually heralds a potential sale.

Bitcoin fell 1% to \$82,045.2 by 01:36 ET (05:36 GMT), briefly hitting a low of \$81,300.

Trump tariffs, recession fears weigh

Bitcoin and broader crypto assets were dented by persistent risk-aversion, especially after a Wall Street Journal report over the weekend showed that Trump was considering higher tariffs against a broader set of countries.

Trump is set to unveil his plans for reciprocal trade tariffs on major U.S. trading partners on April 2, and is also set to impose tariffs on key market sectors.

The WSJ report said Trump's tariffs could target up to 25 countries and impose tariffs of 20% against individual countries- a move that stands to destabilize global trade and draw retaliation from major economies.

Trump's tariffs and their potential economic impact have been a key point of uncertainty for markets, having largely offset some positive cues from Trump's establishment of a Bitcoin reserve.

Speculative assets such as crypto tend to underperform in times of economic uncertainty. Recent losses in Bitcoin saw the crypto wipe out nearly 40% of its value from record highs around the time of Trump's January inauguration.

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