

MARKET UPDATE

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Asia stocks rebound.

Asian stock markets staged a modest recovery on Tuesday, rebounding from the previous session's steep losses driven by escalating global trade tensions.

Most regional stock indices saw sharp gains helped by an overnight bounce back in U.S. technology stocks, while some dip-buyers emerged after three days of sharp declines.

Major U.S stock indexes closed slightly lower on Monday, while the tech-heavy Nasdaq inched up. Futures tied to these benchmark indexes jumped in Asian trading on Tuesday.

However, investors were cautious due to an escalating global trade. U.S. President Donald Trump on Monday threatened more tariffs on China, which faced retaliatory vows from Beijing.

Japan stocks surge on tech boost, weaker yen

Japan's Nikkei 225 index led the resurgence, soaring nearly 7%, after heavy declines in the previous three sessions.

The broader TOPIX index also experienced significant gains, rising more than 7%.

The rebound was bolstered by a weakening yen and a surge in technology stocks.

Oil prices climb 1%.

Oil prices rose more than 1% on Tuesday, rebounding from a hefty selloff to a near four-year low in the previous session on concerns that U.S. tariffs might depress demand and lead to a global recession, though analysts warn downside risks remain.

Brent futures were up 72 cents, or 1.1%, at \$64.93 per barrel, while U.S. West Texas Intermediate crude futures rose 75 cents, or 1.2%, to \$61.45, at 0535 GMT.

As of Monday, Brent and WTI had slumped 14% and 15% respectively following U.S. President Donald Trump's April 2 announcement of "reciprocal tariffs" on all imports.

Oil prices recouped some of those losses in a relief rally aided by steadier action in equity markets, said Warren Patterson, head of commodities strategy at ING.

On Monday, oil prices slid 2% due to fears that President Trump's latest trade tariffs could thrust global economies into recession and diminish energy demand. Markets, however, anticipate a potential limit to the downward trajectory of oil prices.

Dollar frail as traders flock to safe havens.

Safe havens the yen and the Swiss franc held near six-month highs on Tuesday while the U.S. dollar nursed broad losses as financial markets grappled with mounting recession worries in the wake of President Donald Trump's sweeping tariffs.

Currency markets were fragile but eerily calm in Asian trade after a volatile 24 hours where the dollar reversed heavy losses against the safe haven currencies as traders took stock of developments.

Global shares have plummeted since Trump announced tariffs last week. China and the European Union swiftly hit back by proposing higher tariffs of their own, which Trump in turn threatened to fight with even higher duties.

In currencies, investors have flocked to the Japanese yen and Swiss franc in the past week, seeking shelter from the market turmoil.

The yen was last slightly stronger at 147.325 per U.S. dollar, near the six-month high of 144.82 touched on Friday. The Swiss franc last fetched 0.85665 per dollar, also close to a six-month high touched in the previous session.

While the dollar is typically known as a safe-haven asset, that status appears to be eroding as uncertainty over tariffs grows, stoking fears that U.S. growth could stutter.

The euro rose 0.58% to \$1.0967, not far from the six-month high it hit last week, while sterling was 0.4% higher at \$1.2776, inching away from the previous session's one-month low.

"The current volatility is entirely the result of the policy choices of the Trump administration, meaning that, if reversed, the impact on financial markets will likely reverse as well," said Nathan Lim, chief investment officer at Lonsec Investment Solutions.

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