

MARKET UPDATE

09/04/2025

Oil sinks 4% as US kicks off.

Oil prices dropped to their lowest in more than four years on Wednesday on looming demand concerns fuelled by an escalating tariff war between the U.S. and China, the world's two biggest economies, and a rising supply outlook.

Brent futures lost \$2.38, or 3.79%, to \$60.44 a barrel as of 0423 GMT. U.S. West Texas Intermediate crude futures fell \$2.46, or 4.13%, to \$57.12. Both contracts touched their lowest level since February 2021.

The six-month spread for Brent slumped to 79 cents, its lowest level since mid-November, as the market was seen moving into a potential surplus. The spread has collapsed 86% from a high of \$5.69 on January 15 that reflected tightening supply and expectations of a revival in Chinese demand.

Both Brent and WTI have tumbled over the five consecutive sessions since U.S. President Donald Trump announced sweeping tariffs on most imports sparking concerns a global trade war would dent economic growth and hit fuel demand.

President Donald Trump's 104% tariffs on China kicked in from 12:01 a.m. EDT (0401 GMT) on Wednesday, adding 50% more to tariffs after Beijing failed to lift its retaliatory tariffs on U.S. goods by a noon deadline on Tuesday set by Trump.

US stock futures deepen losses.

U.S. stock futures widened losses early Wednesday after reciprocal tariffs announced by President Donald Trump took effect, intensifying a global trade war and heightening fears of a global recession.

S&P 500 Futures dropped 2.7% to 4,885.0 points, while Nasdaq 100 Futures also slumped 2.7% to 16,781.50 points by 01:57 ET (05:57 GMT). Dow Jones Futures slid 2.4% to 36,965.0 points.

Trump's tariffs take effect, including 104% on China

President Donald Trump's sweeping reciprocal tariffs officially took effect at midnight Wednesday, marking a dramatic escalation in global trade tensions. The most significant measure includes a 104% cumulative tariff on Chinese imports—a combination of prior duties and a new 50% hike announced on Tuesday.

The move follows China's retaliatory 34% tariffs and has effectively reignited a trade war between the world's two largest economies.

Bitcoin price today slides to \$76k.

Bitcoin fell sharply on Wednesday, mostly wiping out a recent rebound as U.S. President Donald Trump's steep trade tariffs took effect, sparking widespread losses in financial markets.

Sentiment towards Bitcoin was also spooked by Michael Saylor's Strategy (NASDAQ:MSTR)- the biggest listed holder of Bitcoin- reporting a \$5.91 billion, unrealized loss on its digital asset holdings.

Bitcoin's losses spilled over into broader crypto markets, and came tracking steep declines in risk-driven markets as sentiment soured in the face of a brewing global trade war. Trump's so-called reciprocal trade tariffs took effect from Wednesday, drawing ire and threats of retaliation from several major economies.

Bitcoin fell 4.2% to \$76,523.5 by 01:41 ET (05:41 GMT), after sinking as low as \$74,600. Sentiment towards Bitcoin was also rattled by the crypto forming a death cross- a bearish technical indicator- earlier this week.

The world's largest cryptocurrency wiped out a brief rebound from recent losses on Tuesday.

Bitcoin close to 6-mth low as trade war fears erode risk

Bitcoin was back in sight of a six-month low hit earlier in the week, as risk appetite was decimated by Trump's tariffs.

Trump's tariffs- which include a whopping 104% levy on China- took effect from midnight, eastern standard time, on Wednesday.

The tariffs were unveiled last week and are widely regarded to be much worse than what markets were anticipating. Trump's 104% duty against China is also far bigger than the 60% duty he had threatened earlier.

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