MARKET UPDATE

11/04/2025

Dollar sinks to decade-low vs Swiss franc.

The dollar slumped on Friday as waning confidence in the U.S. economy prompted investors to ditch U.S. assets to the benefit of safe havens such as the Swiss franc, yen and euro, as well as gold.

The yellow metal recorded a new all-time peak, and the franc notched a fresh decade high.

Investors dumped Wall Street stocks overnight, as a powerful relief rally on Wednesday - when President Donald Trump abruptly paused higher tariff rates on dozens of trading partners - reversed course in a frenetic 24-hour period for markets. Longer-dated U.S. Treasuries are also selling off, putting 10-year yields on course for their biggest weekly jump since 2001.

Trump's 90-day respite, which came despite his insistence for days that his policies would never change, didn't include China. Instead, he ratcheted up duties on Chinese imports to an effective 145% rate, further escalating a high-stakes confrontation between the world's two largest economies.

The Chinese yuan had tumbled to an all-time low in offshore trading on Tuesday, but erased all those losses a day later, and surged again on Thursday. It initially strengthened in the latest session as well, before trading slightly weaker.

Gold prices hit record high above $3,200.

Gold prices surged to a record high in Asian trade on Friday, extending a recent run-up as demand for safe haven assets remained underpinned by heightened fears of a bitter U.S.-China trade war.

The yellow metal clocked stellar gains this week, outpacing all other metals as investors piled into bullion and the yen as safe havens. A rout in U.S. Treasury prices added to this trend, even as yields rose sharply.

Spot gold jumped more than 1% to a record high of $3,220.20 an ounce, while gold futures expiring in June soared 1.7% to $3,231.69/oz by 00:37 ET (04:37 GMT).

Gold surges amid US-China trade tariff exchange, weak dollar

Demand for gold was underpinned by heightened volatility in risk-driven assets, as the U.S. and China imposed steep trade tariffs on each other this week.

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Oil prices set to drop for a second week.

Oil prices rose on Friday after settling more than $2 a barrel lower in the previous session, but were set to drop for a second straight week on concerns over a prolonged trade war between the United States and China.

Brent futures rose 90 cents, or 1.4%, to $64.23 a barrel by 0646 GMT, while U.S. West Texas Intermediate crude futures rose 88 cents, or 1.5%, to $60.95.

Brent is set to fall 2.1% this week, while WTI is on track to decline 1.8%. Both benchmarks declined 11% in the previous week.

A prolonged dispute between the world's two biggest economies is likely to reduce global trade volumes and disrupt trading routes, and eventually weigh on global economic growth.

"We expect prices will remain under pressure as investors assess ongoing trade negotiations and rising tensions between Washington and Beijing," BMI analysts said in a note on Friday.

Concerns about a global economic slowdown were also putting oil prices under pressure, Daniel Hynes, senior commodity strategist at ANZ, said in a note.

The bank forecasts oil consumption to decline by 1% if global economic growth falls below 3%, Hynes said.

U.S. President Donald Trump raised tariffs against China to 145% on Thursday, even after announcing a pause on heavy tariffs against dozens of trading partners earlier this week. China, in turn, has announced an additional import levy on U.S. goods.

The U.S. Energy Information Administration on Thursday lowered its global economic growth forecasts and warned that tariffs could weigh heavily on oil prices, as it slashed its U.S. and global oil demand forecasts for this year and next year.

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