

# **MARKET UPDATE**

**14/04/2025**

## **Asia stocks jump, Hang Seng up over 2%.**

Asian stocks rose sharply on Monday, with Hong Kong's Hang Seng index up the most on gains in technology after U.S. authorities signalled that electronics would be temporarily exempt from steep trade tariffs on China.

Gains in Asian markets also came following a positive Friday session on Wall Street, following assurances of economic support from the Federal Reserve, as well as a swathe of strong bank earnings.

U.S. stock index futures rose in Asian trade on Monday, with S&P 500 Futures up about 1%. Tech majors such as Apple Inc (NASDAQ:AAPL), which depend heavily on China for manufacturing, are expected to clock strong gains on the limited tariff relief.

Hang Seng rallies over 2% as Asia tech cheers some US tariff exemptions

Hong Kong's Hang Seng index was by far the best performer on Monday, rallying 2.7%. Other tech-heavy bourses in the region also advanced, with South Korea's KOSPI adding 1%, while Japan's Nikkei 225 index rose 1.5%.

Hong Kong-listed tech stocks, particularly those with U.S. export exposure, logged strong gains after the White House signalled on Friday that electronics will be exempt from President Donald Trump's steep 145% tariffs on China. PC maker Lenovo Group (HK:0992) was the top gainer on the Hang Seng, with a 5.4% gain. Other tech majors including Alibaba (HK:9988), Baidu (HK:9888), and Haier Smart Home Co Ltd (HK:6690) rose between 4% and 5.5%.

## **Asia FX weak with Chinese yuan down.**

Most Asian currencies weakened on Monday, with the Chinese yuan fragile in the face of limited relief on U.S. trade tariffs, while concerns over more economic headwinds sent the dollar to three-year lows.

The Japanese yen remained an outperformer, trading near its strongest level in six months as demand for safe havens remained relatively high. The USD/JPY pair fell 0.3% to 143.09 yen.

Other Asian currencies were nursing steep losses in recent weeks as a dire trade war between the U.S. and China escalated over the past week, with both sides slapping steep trade tariffs on each other. But the White House indicated over the weekend that electronics will be exempt from President Donald Trump's 145% tariffs on China, offering some relief.

## Dollar hits 3-yr low amid growing economic jitters.

The dollar index and dollar index futures both sank to their lowest levels since April 2022 on Monday, extending a run of recent declines.

Despite some relief over U.S.-China tariffs, the dollar remained under pressure from heightened fears of a U.S. recession. The greenback was also dented by a sustained sell-down in Treasuries, which saw yields rise sharply.

Federal Reserve officials said that they will step in to support the U.S. economy in the face of more strife, although this could entail interest rate cuts, which bode poorly for the dollar.

Several Fed officials are set to speak this week, most notably Chair Jerome Powell on Wednesday.

Broader Asian currencies moved in a flat-to-low range amid little relief over a bitter trade war between the U.S. and China.

The Singapore dollar's USD/SGD pair fell 0.2% even as gross domestic product data read softer than expected for the first quarter of 2025. Singapore's central bank also eased policy slightly for the second time this year.

The South Korean won's USD/KRW rose 0.5%, while the Australian dollar's AUD/USD pair rose 0.2%.

The Indian rupee's USD/INR pair fell 0.4% in holiday-thinned trade.

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