

MARKET UPDATE

15/04/2025

Asia stocks rise on more Trump tariff relief.

Most Asian stocks rose on Tuesday amid persistent hopes that U.S. President Donald Trump will grant more exemptions from his trade tariff plans, although gains were capped by uncertainty over more levies and a brewing trade war.

Chinese stocks were outliers, flitting between gains and losses in morning trade as Beijing became embroiled in a dire trade dispute with the United States. While local stocks took some relief from exemptions in Trump's tariffs, this was limited by the president signalling that any exemptions will be temporary.

Asian markets took a positive lead-in from Wall Street, which clocked two straight days of gains on optimism over potential tariff exemptions. A swathe of positive bank earnings also aided Wall Street.

But gains on Wall Street were also capped by caution over trade and the economy. U.S. stock futures fell slightly in Asian trade, with S&P 500 Futures down 0.1%.

Investors were also on edge over any big swings in markets, especially with trading volumes expected to be low this week, ahead of the Good Friday holiday.

Oil prices edge up on hopes of auto tariff relief.

Oil prices inched higher in Asian trading on Tuesday, helped by President Donald Trump's potential pause on auto tariffs and a rebound in China's crude imports, while markets eyed U.S.-Iran nuclear talks for clues on the demand outlook.

As of 22:05 ET (02:05 GMT), Brent Oil Futures expiring in June rose 0.2% to \$65.02 per barrel, while West Texas Intermediate WTI crude futures gained 0.3% to \$61.25 per barrel.

Both contracts settled little changed on Monday and remained close to four-year lows hit last week.

"The market is digesting fast-moving policy developments on the tariff front, while balancing them with nuclear talks between the US and Iran. Clearly, the market is more focused on tariffs and what they mean for oil demand," ING analysts said in a note.

Trump indicates potential pause on auto tariffs

President Trump on Monday indicated potential exemptions from the 25% tariffs on foreign vehicle imports, particularly from countries like Mexico and Canada.

Asia FX gains on tariff relief hopes.

Most Asian currencies rose on Tuesday amid optimism over potential tariff relief from U.S. President Donald Trump, while the Australian dollar strengthened after the country's central bank signalled caution on further interest rate cuts citing global economic uncertainty.

The US Dollar Index, which measures the greenback against a basket of major currencies, inch down 0.1% in Asian trade on Tuesday, remaining near its three-year low reached last week.

Trump indicates pause on auto tariffs, uncertainty persists

President Trump on Monday suggested the possibility of exemptions from the 25% tariffs on foreign vehicle imports, especially for countries like Mexico and Canada.

Earlier, the administration also granted exclusions for specific electronics, such as smartphones and laptops, mainly from China.

These actions have helped alleviate some market worries about rising trade tensions.

However, caution remains among investors as the Trump administration continues to pursue potential tariffs on semiconductor and pharmaceutical imports.

Also, Trump's trade tensions with China persist with China being slapped with a cumulative 145% tariff, against which Beijing retaliated with a 125% levy on U.S. goods.

The Chinese yuan's offshore USD/CNH pair, and onshore USD/CNY, both edged 0.1% lower.

The Japanese yen's USD/JPY pair fell 0.3% on Tuesday.

The Indian rupee's USD/INR pair declined 0.5%.

The South Korean won's USD/KRW pair was largely unchanged. The Bank of Korea is set to meet on Thursday to decide on its interest rates.

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