

MARKET UPDATE

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Asia stocks skittish.

Most Asian stocks moved in a flat-to-low range on Tuesday as investors remained on edge over U.S. President Donald Trump's trade tariffs and his persistent criticism of Federal Reserve Chair Jerome Powell.

Trump's comments on Powell, specifically that the U.S. risks a recession if the Fed does not cut interest rates, sparked steep losses in Wall Street on Monday, a measure of which spilled over into Asia.

But U.S. stock index futures rose in Asian trade, with S&P 500 Futures up 0.6% amid signs of a potential rebound. Focus was on key upcoming first-quarter earnings this week, with Tesla Inc (NASDAQ:TSLA) to report later in the day.

Sentiment towards Asian markets remained weak as the U.S. and China showed few signs of deescalating a bitter trade war. Fears of tighter monetary conditions in Japan also weighed.

China stocks flat, Hong Kong dips; China warns against US trade deals

China's Shanghai Shenzhen CSI 300 and Shanghai Composite indexes moved in a tight range on Tuesday, while Hong Kong's Hang Seng shed 0.5% as trade resumed after a long weekend.

Gold prices surge to record high.

Gold prices surged to hit a new record high in Asian trading on Tuesday, buoyed by sustained safe-haven appeal over elevated U.S.-China trade tensions, and concerns around President Donald Trump's plan to overhaul the Federal Reserve.

As of 00:27 ET (04:27 GMT), Spot Gold jumped 1.7% to \$3,482.76 per ounce, while Gold Futures expiring in June surged 1.9% to \$3,491.20 an ounce.

Gold jumped more than 3% on Monday and has hit consecutive record highs in the previous three sessions, driven largely by escalating geopolitical risks, strong central bank demand, and persistent inflation concerns.

Trump mulls ousting Fed's Powell, dollar hits 3-yr low

The latest rally was sparked by concerns surrounding U.S. monetary policy, after President Donald Trump unveiled plans to overhaul the Federal Reserve.

Dollar sinks as Trump's attacks on Fed chief.

The dollar sank to a fresh seven-month low versus the safe-haven yen on Tuesday as President Donald Trump's unrelenting attacks on the Federal Reserve chairman further eroded investor confidence in the U.S. economy.

The U.S. currency accelerated losses after Thailand's prime minister said trade negotiations with Washington - scheduled to begin on Wednesday - would be postponed.

The dollar sagged close to the decade-low reached the previous day against the Swiss franc, and edged back towards a 3-1/2-year trough versus the euro.

Trump ramped up his criticism of Fed chief Jerome Powell on Monday in a Truth Social post, calling him a "major loser" and demanding that he lower interest rates "NOW" or risk an economic slowdown.

On Friday, White House economic adviser Kevin Hassett said the president and his team were continuing to study whether they could fire Powell, a day after Trump said Powell's termination "cannot come fast enough".

Trump's onslaught comes after Powell last week said the central bank can afford to be patient in judging how to set policy, and that rates should not be lowered until it is clearer that U.S. tariffs won't stoke persistently higher inflation.

"There's this terrible stalemate there, and concern that there will be some sort of action taken to replace Powell, which would create a real panic in the dollar," said Eric Kuby, chief investment officer at North Star Investment Management.

Moreover, on the trade front, "every day that there are no deals struck to provide any relief, it creates continued anxiety" that Trump's policies will continue in their current form, which would be "destructive for the economy", Kuby said.

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