2025-04-21 - News Research - Investing.com

Status	Priority

Dollar sinks as Trump’s attacks on Fed chief unsettle traders

By Kevin Buckland

TOKYO (Reuters) - 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.

China on Monday accused Washington of abusing tariffs and warned countries against striking a broader economic deal with the United States at its expense, ratcheting up the trade war between the world’s two biggest economies.

The dollar sank as much as 0.6% to touch the key psychological 140 yen level for the first time since mid-September.

The U.S. currency eased 0.1% to 0.8082 Swiss franc, not far from the decade-low 0.8042 reached in the previous session.

The euro was little changed at $1.1535, after jumping to $1.1573 on Monday for the first time since November 2021.

Sterling gained 0.25% to $1.3412 after surging as high as $1.3421 for the first time since September to start the week.

Even the risk-sensitive Australian dollar climbed to a fresh four-month peak of $0.64385.

"The longer the speculation about the independence of U.S. monetary policy continues, the longer the USD is at risk of falling," said Joseph Capurso, head of international and sustainable economics at Commonwealth Bank of Australia (OTC:CMWAY).

"It may take another sell-off in the U.S. government bond market or U.S. equity market to encourage President Trump to refrain from such comments."

The U.S. dollar index measure against six major peers declined to 98.117, after sinking as low as 97.923 in the previous session, a level not seen since March 2022.

Gold prices surge to record high near $3,500 amid Trump-Fed clash, trade tensions

Updates with the latest moves, milestones

Investing.com-- 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.

White House economic advisor Kevin Hassett said on Friday that President Trump and his team were continuing to study whether they could fire Fed Chair Jerome Powell.

Trump on Monday reiterated his call for the Fed to reduce rates, saying the U.S. economy could slow down if the Fed does not cut interest rates immediately.

Last week, Powell said that the central bank was not inclined to cut interest rates in the near future, citing the possible inflationary pressures and economic uncertainties stemming from the new tariffs.

These developments have stoked concerns about the independence of the Fed, sending ripples through financial markets.

The U.S. dollar remained weak after slumping to a three-year low on Monday against a basket of major currencies.

A weaker dollar tends to bolster demand for gold, as it makes the metal more affordable to investors holding foreign currencies.

US-China trade tensions remain elevated

China issued a stern warning to nations contemplating trade agreements with the U.S. that could undermine Chinese interests.

The Chinese Ministry of Commerce accused Washington of employing tariffs and monetary sanctions to coerce countries into limiting their trade with China.

Beijing emphasized that any such agreements detrimental to its interests would prompt reciprocal countermeasures.

This warning comes amid escalating tensions in the ongoing Sino-U.S. trade conflict, which has seen the U.S. impose tariffs of up to 145% on Chinese goods, leading to retaliatory duties from China.

Among other precious metals, Silver Futures gained 0.8% to $32.795 an ounce, while Platinum Futures rose 1% to $976.10 an ounce.

Copper hits 2-week high on weaker greenback

Copper prices extended on Tuesday to hit a two-week high as the greenback remained weak, but concerns of hefty U.S. tariffs on top importer China kept investors cautious.

Benchmark Copper Futures on the London Metal Exchange rose 1% to $9,311.60 a ton, while Copper Futures expiring in May gained 1.1% to $4.7713 a pound.

Asia stocks suffer limited losses as US dollar, bonds buckle

There was also the concern that the current Fed might now be more reluctant to ease policy in case that was perceived as giving into political pressure.

While White House talks on various trade deals are underway or about to start, a quick resolution seemed unlikely. Analysts at JPMorgan noted the average trade deal took 18 months to negotiate and 45 months to implement.

"We reiterate our view that if current policies do not change, then the probability of a U.S. recession in 2025 is 90%," they said in a note.

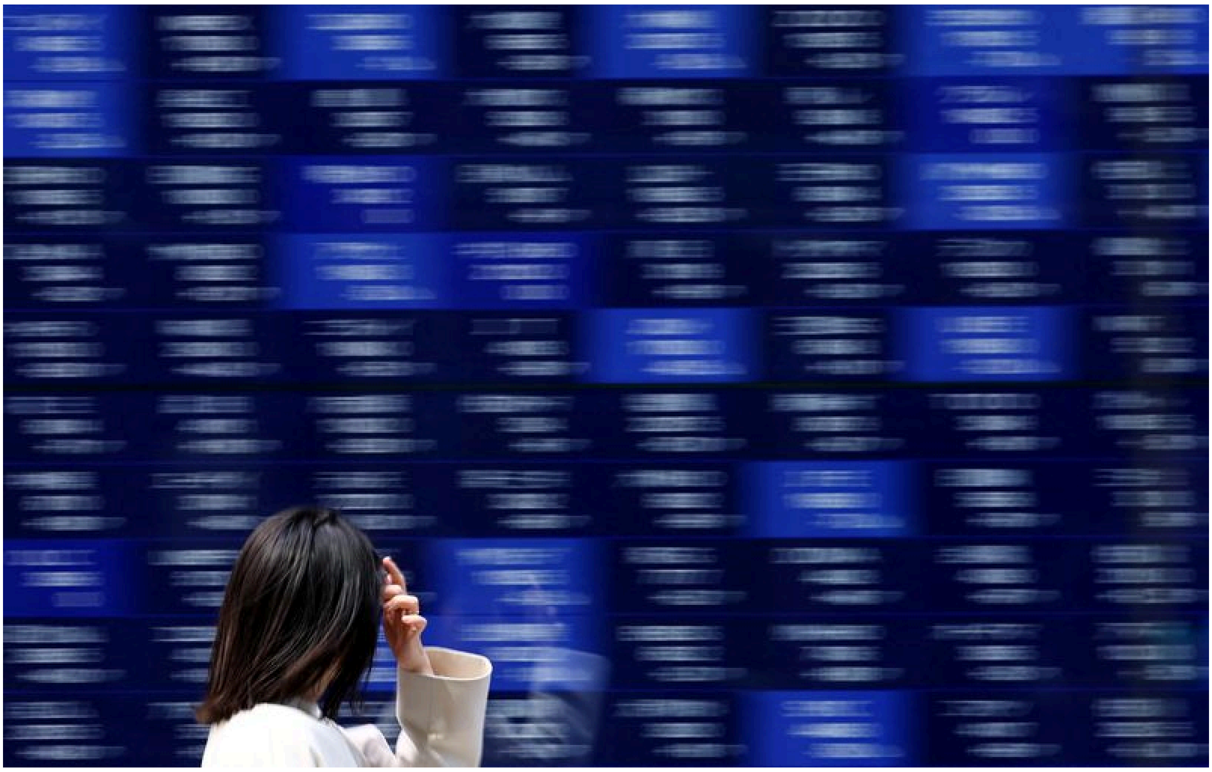
The loss of confidence in U.S. assets took a heavy toll on the dollar which touched its lowest since March 2022 against a basket of currencies at 97.923 on Monday.

The currency hit a decade-low on the Swiss franc at 0.8042, while the euro broke above $1.1500 to reach $1.1538. The dollar struck a seven-month trough on the yen at 139.92, and looked set to test a low form last September at 139.58.

"The independence of the Federal Reserve is a cornerstone of the dollar’s credibility," noted Quasar Elizundia, a research strategist at broker Pepperstone.

"The dollar's status as the ultimate safe-haven asset can no longer be taken for granted; it is being actively challenged."

The weakness in the dollar combined with demand for physical safe havens helped gold to another record above $3,485 an ounce. [GOL/]



Oil prices have been going the other way as worries about a global slowdown met the prospect of increased supply from OPEC. [O/R]

There was a slight short-covering bounce on Tuesday as Brent rose 45 cents to $66.70 a barrel, while U.S. crude added 65 cents to $63.73 per barrel.

Trump preparing to blame Fed, Powell, for economic downturn- WSJ's Timiraos

Investing.com-- U.S. President Donald Trump is laying the groundwork to blame the Federal Reserve under Chair Jerome Powell for any economic weakness resulting from his trade tariffs, the Wall Street Journal's Nick Timiraos wrote on Monday.

Trump is signaling that he will blame the Fed if the central bank does not concede to his demands for interest rate cuts soon, Timiraos said, in a process that could also delegitimize the central bank's independence.

Timiraos' comments come after Trump engaged in a social media tirade against the Fed and Chair Powell, calling him a "major loser" and "Mr. Too Late" amid demands that Powell cut interest rates soon.

Trump warned that the U.S. economy could slow if the Fed did not cut, and claimed that there was "virtually no inflation." He had last week also called for Powell's ouster.

Powell was appointed by Trump during his first term, and is set to remain as Fed Chair until May 2026.

Timiraos- who earned the moniker of "the Fed whisperer" for accurately predicting each of the central bank's interest rate decisions since 2022- warned that even if Trump was unable to oust Powell, his efforts to delegitimize him could cause lasting damage to the Fed's standing, especially given that the central bank has long sought to remain unaligned.

Trump had also badgered Powell during his first term to stop raising interest rates and cut them. But the economic backdrop this time around appears different, especially given that inflation is a much bigger concern today, Timiraos said.

Powell has so far signaled little intent to cut interest rates, having recently flagged even more uncertainty due to Trump's trade tariffs on the U.S.' biggest trading partners. Powell warned that the tariffs- a highlight of which is a 145% duty on China- could cause lasting increases in inflation.

Trump's recent attack on Powell sent U.S. stock markets into a tailspin, while also battering the dollar and pushing up Treasury yields.

Asia stocks skittish after Wall St slumps on Trump-Fed feud; tariff jitters remain

Investing.com-- 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.

E-commerce stocks JD.com and Meituan slumped over 6% each, amid growing signs of heated competition in the lucrative food delivery sector.

China's Commerce Ministry on Monday warned countries against striking trade deals with the U.S. at Beijing's expense, while also accusing Washington of abusing tariffs.

Beijing's comments come amid a bitter trade war between the world's biggest economies, after Trump hiked tariffs on China to 145% earlier in April. China retaliated with a 125% levy on U.S. goods.

Beijing has repeatedly criticized Trump's tariffs, and has so far signaled little openness to talks with Washington. High U.S. tariffs threaten to impact China's export-heavy sectors, while also undermining local growth.

Japan stocks flat; PM Ishiba concerned over US tariffs

Japan's Nikkei 225 index fell 0.1%, while the TOPIX was flat. Export-heavy sectors remained under pressure from a strong yen, which was at its strongest level in seven months on heightened safe haven demand.

Japanese Prime Minister Shigeru Ishiba said on Monday that while the country did not intend to scuttle a 2019 trade deal struck with the U.S., it would voice "grave concern" over inconsistencies between the deal and Trump's latest round of tariffs.

A particular point of concern was Trump's 25% tariffs on all foreign automobiles, which stand to greatly impact some of Japan's biggest companies. Ishiba's comments come as Japan gears up for trade talks with the U.S., with Ishiba also warning that the country will not just openly concede in discussions.

Japanese markets were also pressured by persistent concerns over more interest rate hikes by the Bank of Japan, after consumer inflation data for March rose as expected, remaining well above the BOJ's target.

Focus this week is on Japanese purchasing managers index data for April, due on Wednesday.

Broader Asian markets moved in a tight range. Australia's ASX 200 was flat ahead of April PMI readings due on Wednesday, while South Korea's KOSPI rose slightly before first-quarter gross domestic product data due later this week.

Singapore's Straits Times index was an outlier, rallying 1.2% as heightened economic uncertainty saw investors seek haven in local bank stocks.

Futures for India's Nifty 50 index pointed to a positive open, after it surged more than 1% in the prior session.

Stock market today: S&P 500 in bloodbath as tariff worries, Trump Fed remarks bite

Investing.com - The S&P 500 closed sharply lower on Monday as President Donald Trump's tariffs and attack on Federal Reserve Chair Jerome Powell stoked fresh volatility, weighing on investor sentiment.

At 4:00 p.m. ET, the benchmark S&P 500 fell 2.4%, the tech-heavy Nasdaq Composite fell 2.6%, and the blue-chip Dow Jones Industrial Average had retreated by 971 points, or 2.5%. Trading volumes were thin on Monday as some markets, including much of Europe, were on holiday for Easter Monday.

The VIX volatility index, a gauge of investor fears, jumped nearly 14% to around 34, though remains well below the recent highs seen during the market turmoil earlier this month. The long-term median level is at around 17.6, LSEG Datastream figures cited by Reuters showed.

Tariffs, Powell uncertainty weigh on sentiment

The slump in the broader market comes as investors further details on trade after Trump officials said they are aiming to sign dozens of agreements during the ongoing 90-day pause to the elevated duties on a host of nations.

"[I]t’s very likely April 2 was the high-water mark for tariffs, and we fully expect ongoing negotiations to yield ’deals’ that bring down the duty burden," analysts at Vital Knowledge said, referring to the date when Trump revealed his sweeping reciprocal tariffs on both friends and foes alike.

White House economic adviser Kevin Hassett added fresh volatility to markets after suggesting that Trump officials are studying if the president could fire Fed Chair Jerome Powell. Trump has revived threats to oust Powell from his role at the helm of the U.S. central bank, accusing him of moving to slowly to bring down interest rates.

In a post on his Truth social today, Trump again called on Powell to lower interest rates in a "preemptive" move, saying there is little to no inflation. "With these costs trending so nicely downward, just what I predicted they would do, there can almost be no inflation, but there can be a SLOWING of the economy unless Mr. Too Late, a major loser, lowers interest rates, NOW," Trump said.

"Trump’s tariffs seem likely to fuel inflation and even if this rise is only ’transitory,’ markets will be on edge for the 6-12 months that the price adjustment takes place, with White House ire towards Powell steadily rising during that period," the Vital Knowledge analysts said.

Tech earnings eyed this week

Google-parent Alphabet (NASDAQ:GOOGL) and Elon Musk-helmed electric carmaker Tesla (NASDAQ:TSLA), who will become the first of the so-called "Magnificent Seven" mega-cap tech names to unveil their latest results this week.

Ahead of Tesla's quarterly results due Tuesday, Barclays cut its price target on the stock to $275 from $325, citing "confusing" visibility.

Traders will likely be keen to see if the figures and potential guidance provide some relief for markets still reeling from massive ructions sparked by Trump's tariff policies. In recent years, the Magnificent Seven stocks have largely been the driving force behind U.S. equity market gains, although shares in these businesses have declined so far this year.

Chipmaker Intel (NASDAQ:INTC), drug manufacturer Merck (NSE:PROR), tech firm IBM (NYSE:IBM), and Pampers-parent Procter & Gamble (NYSE:PG) are also on the earnings docket this week, as well as American Airlines (NASDAQ:AAL). The carrier's rival United Airlines last week provided a two-pronged outlook for the year, including one scenario forecasting a recession that sparks a deep hit to revenue and profit.

Elsewhere, shares in Netflix (NASDAQ:NFLX) rose after executives at the streaming service suggested that they were confident that it could withstand the economic fallout from Trump's tariffs.

Amazon.com Inc (NASDAQ:AMZN), meanwhile, fell more than 4% after Wells Fargo, citing industry sources, suggesting that the company's cloud segment AWS is slowing data center deals.

Gold touches new record high; Bitcoin climbs

Gold prices hit a new record high on Monday, supported by fears over a tit-for-tat trade war between the U.S. and China as well as a weakening dollar against a basket of currency peers.

Spot gold had risen by 3% to $3,432.52 by 12:52 p.m. ET.

Bitcoin (BitfinexUSD), meanwhile, climbed more than 2% to $87,222.0 as the popular crypto also benefitted from a slump in the dollar.

(Scott Kanowsky contributed to this report)

Trump has everyone 'on edge' - Yardeni

Investing.com -- Yardeni Research's latest commentary highlighted the widespread unease caused by President Donald Trump's aggressive tariff policies, which have disrupted the traditional global order and led to what has been termed the New World Disorder. The economic repercussions remain uncertain, keeping investors and trading partners worldwide on high alert.

"Trump’s Tariff Turmoil has put the world on edge," Ed Yardeni states. "A new world order may be the ultimate result, but for now we’ve got the New World Disorder, leaving everyone scrambling to adjust to Trump’s unpredictable policy pivots. The economic fallout is uncertain. The uncertainty is keeping Wall Street on edge. It’s keeping US trading partner nations on edge."

First, Yardeni notes Trump’s tarrif policy has everyone on edge. The US is currently in the midst of negotiating tariff agreements with 15 major economies, including Japan, the European Union, South Korea, and India. As of now, 75 countries have expressed interest in trade negotiations with the US. The ongoing uncertainty has had a depressive effect on global stock markets, particularly since April 2, 2025, known as "Liberation Day." However, stock prices experienced a significant rally on April 9 following President Trump’s decision to postpone his reciprocal tariffs for 90 days on all countries except China.

Trump’s tariff measures include a 25% tariff on steel imports, a similar tariff on aluminum imports, and a 25% tariff on all imported cars, trucks, and certain auto parts, effective as of April 3, 2025. Additionally, non-compliant goods from Canada and Mexico with the USMCA trade agreement also face a 25% tariff. On April 14, Trump hinted at a possible temporary exemption for the auto industry from the tariffs to allow carmakers to adjust their supply chains.

In technology news, the Commerce Department introduced new export licensing requirements on April 16 for AI chipmaker Nvidia (NASDAQ:NVDA), potentially impacting the company’s earnings by an estimated $5.5 billion. This move also affects rival chipmaker Advanced Micro Devices (NASDAQ:AMD).

Second, Trump vs Powell has everyone on edge. The relationship between Trump and Federal Reserve Chair Jerome Powell has been contentious, with Trump expressing frustration over Powell’s interest rate policies. Despite Trump’s repeated criticisms and demands for rate cuts, Powell has maintained his stance on tariffs potentially causing inflation and slower growth. Trump has continued to pressure Powell for interest rate reductions and has even suggested he would like Powell to resign before his term ends in May 2026.

Third, the U.S. economy has everyone on edge. Yardeni notes economic indicators show mixed signals, with the US economy demonstrating resilience in some areas while facing recession risks and inflationary pressures. Consumer sentiment has dropped, but retail sales have shown unexpected strength. Industrial production declined in March, but manufacturing and mining outputs rose.

Fourth, earnings and valuations have everyone on edge. Analysts are adjusting their earnings estimates for S&P 500 companies for 2025 and 2026, reflecting concerns over the potential for a recession induced by tariffs. Meanwhile, Warren Buffett has remained an outlier, having been a net seller of equities for the past nine quarters, ending 2024 with a record cash reserve.

Fifth and sixth, China and Europe have everyone on edge. Globally, China is attempting to stimulate its domestic economy to counteract the negative effects of the trade war, while Europe faces challenges with a strengthening euro, which could hurt European company sales and earnings and increase the risk of deflation.

Asia stocks mixed: China ticks up as PBoC stays pat; Japan drops after strong CPI

Investing.com-- Asian stocks were mixed in Monday's holiday-thinned session, as Chinese equities rose after the country's central bank kept loan prime rates steady, while Japanese shares fell after stronger-than-expected inflation data from last week.

Stock markets in Australia, New Zealand, and Hong Kong were closed for the Easter holiday, contributing to lower trading volumes and subdued moves across the region.

Major U.S stock indexes suffered weekly losses last week, while futures tied to these benchmark indexes opened lower in Asian trading on Monday.

China stocks edge up, PBoC keeps loan prime rate unchanged

Data on Monday showed that the People's Bank of China held its benchmark loan prime rate steady, in line with expectations, signaling Beijing's preference for boosting economic growth through fiscal measures rather than additional monetary easing.

The PBOC left its one-year LPR at 3.1%, while the five-year LPR, which is used to set mortgage rates, was left at 3.6%.

Chinese authorities have recently proposed additional measures to boost consumer spending, including enhanced social welfare programs and subsidies for household goods.

China's Shanghai Composite edged 0.3% higher, while the Shanghai Shenzhen CSI 300 gained 0.2%.

Japan's Nikkei drops after strong CPI print complicates BOJ rate path

Data on Friday last week showed that Japan's core consumer price index (CPI), which excludes fresh food prices, grew 3.2% y-o-y, matching estimates, but above the 3.0% rise seen in February.

A core reading that excludes both fresh food and energy prices also rose 2.9% in March from 2.6% in the prior month.

The reading is closely watched as a gauge of underlying inflation by the Bank of Japan, and it remained well above the central bank's 2% annual CPI target.

Despite rising inflation, analysts moved their rate hike forecast from May to July, citing uncertainty around U.S. tariff policies.

Japan's Nikkei 225 index fell 1.2% on Monday while TOPIX declined 1.1%.

Investors remain cautious around Trump tariffs

Investors were still cautious in light of the ongoing global economic uncertainty fueled by trade tariffs introduced by U.S. President Donald Trump.

Trump's trade tensions with China remain elevated. Last week, Bloomberg reported that China was open to beginning trade talks with the Trump administration, but demanded that the White House show more respect.

U.S. President Donald Trump has also said "big progress" was made after a meeting with a Japanese trade delegation in Washington last week.

These developments alleviated some concerns, although investors still remained on edge.

South Korea's KOSPI was largely unchanged.

Thailand's SET Index fell 0.4%, while Singapore's Straits Times Index gained 1%.

Futures for India's Nifty 50 were 0.4% higher.

Gold prices hit record high as dollar tumbles on Trump's Fed overhaul plans

Investing.com-- Gold prices surged to a new record high in Asian trading on Monday, as the dollar tumbled amid President Donald Trump's plan to overhaul the Federal Reserve, while heightened Russia-Ukraine tensions after a brief Easter truce boosted bullion's safe-haven appeal.

As of 03:40 ET (07:40 GMT), Spot Gold jumped 1.4% to $3,374.93 per ounce, after reaching a record high of $3,385.27 per ounce earlier in the session.

Gold Futures expiring in June surged 1.8% to $3,388.20 an ounce.

The recent climb in gold prices has been driven largely by escalating geopolitical risks, strong central bank demand, and persistent inflation concerns.

Gold rallies as Trump's Fed overhaul plan raises uncertainty

Monday's rally was largely driven by renewed uncertainty surrounding U.S. monetary policy, after President Donald Trump unveiled plans to overhaul the Federal Reserve.

White House economic advisor Kevin Hassett said on Friday that President Trump and his team were continuing to study whether they could fire Federal Reserve Chair Jerome Powell.

This stoked concerns about the independence of the Fed, sending ripples through financial markets.

The news weighed heavily on the U.S. dollar, which slumped to a three-year low against a basket of major currencies.

A weaker dollar tends to bolster demand for gold, as it makes the metal more affordable to investors holding foreign currencies.

Russia-Ukraine tensions escalate after one-day truce

The yellow metal was also supported by heightened tensions between Russia and Ukraine despite a one-day ceasefire announced by Russian President Vladimir Putin.

Putin unexpectedly announced a one-day ceasefire in Ukraine on Saturday to mark the Orthodox Easter holiday.

However, Russia launched missile and drone strikes on Ukraine early Monday, just hours after the expiration of the ceasefire.

Both Kyiv and Moscow have accused each other of violating the truce, which the Kremlin had confirmed would not be extended.

Among other precious metals, Silver Futures gained 1% to $32.773 an ounce, while Platinum Futures were unchanged at $978.0 an ounce.

Copper prices rise on weaker greenback, US-Sino tensions cap gains

Copper prices rose on Monday as the greenback weakened, but gains were limited due to concerns of hefty U.S. tariffs on top importer China.

China has been slapped with a total of 145% tariffs.

Benchmark Copper Futures on the London Metal Exchange rose 0.3% to $9,231.0 a ton, while Copper Futures expiring in May gained 0.8% to $4.4733 a pound.

Asia FX jumps as dollar plunges on Trump's Fed shakeup plan

Investing.com-- Most Asian currencies jumped on Monday, led by gains in the Japanese yen and the Australian dollar, as the U.S. dollar slumped to a three-year low following President Donald Trump's plan to shake up the Federal Reserve.

Markets' focus for the day was on the People's Bank of China decision to hold loan prime rates steady amid rising trade tensions with the U.S.

US dollar slumps on Trump's Fed overhaul plan

The US Dollar Index, which measures the greenback against a basket of major currencies, slumped 1.2% in Asian trade to 98.18, its lowest level since March 2022.

White House economic advisor Kevin Hassett said on Friday that President Trump and his team were continuing to study whether they could fire Federal Reserve Chair Jerome Powell.

This stoked concerns about the independence of the Fed, sending ripples through financial markets, particularly affecting the greenback.

The development comes after Powell last week said that the central bank was not inclined to cut interest rates in the near future, citing the inflationary pressures and economic uncertainties introduced by the new tariffs.

Japanese yen, Australian dollar jump

The Japanese yen's USD/JPY fell 1.1% on Monday.

Data on Friday last week showed that Japan's core inflation accelerated in March, complicating the Bank of Japan's interest rate path amid Trump tariff uncertainties.

The Australian dollar's AUD/USD pair jumped 0.8%.

Other regional currencies also gained, with the Singapore dollar's USD/SGD pair falling 0.5%.

The South Korean won's USD/KRW pair fell 0.4% on Monday.

The Thai baht's USD/THB pair fell 0.7%, while the Malaysian ringgit's USD/MYR declined 0.8%.

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

Chinese yuan edges up as PBoC keeps LPR unchanged

The Chinese yuan's onshore USD/CNY pair fell 0.2%, while the offshore pair USD/CNH lost 0.3%.

Data on Monday showed that the People's Bank of China held its benchmark loan prime rate steady, in line with expectations, signaling Beijing's preference for boosting economic growth through fiscal measures rather than additional monetary easing.

The PBOC left its one-year LPR at 3.1%, while the five-year LPR, which is used to set mortgage rates, was left at 3.6%.

India hopes to conclude trade pact with US this year, finance minister says

NEW DELHI (Reuters) -India hopes to "positively conclude" the first part of a trade pact with the United States by this autumn, finance minister Nirmala Sitharaman said on Monday as she started on a trip packed with engagements between the two nations.

"The long and short of engaging with the U.S. is not just for this reciprocal tariff related matter, but in the interest of... our largest trading partner with whom we need to have an agreement," Sitharaman said in an address to the Indian diaspora in San Francisco.

Sitharaman is on a five-day trip to the United States, where she will join the spring meetings of the International Monetary Fund and the World Bank, and the meeting of G20 finance ministers and central bank governors, according to an Indian government statement.

She is also scheduled to meet the U.S. Treasury Secretary Scott Bessent and is expected to speak to officials at the United States Trade Representative's office.

Her visit comes in a week of multiple engagements between the United States and India that will focus on trade, as New Delhi rushes to avoid steep U.S. tariffs with an early trade deal and boost ties with the Donald Trump administration.

Officials in New Delhi are hoping to firm up an agreement with Washington within the 90-day pause on tariff increases announced by Trump on April 9 for major trading partners, including India.

India's chief negotiator for the deal, Rajesh Agrawal, is expected to make a three-day trip to the United States starting Wednesday, an Indian official said.

U.S. Vice President JD Vance also began a four-day visit to India on Monday and will hold talks with Prime Minister Narendra Modi. Modi and Vance are expected to review progress made on the bilateral agenda outlined in February when the Indian leader met President Donald Trump in Washington.

Japan to voice concern over US trade deal inconsistency, PM Ishiba says

By Leika Kihara

TOKYO (Reuters) -Japanese Prime Minister Shigeru Ishiba said on Monday Tokyo has no plan to terminate a trade deal struck with the U.S. in 2019, but will keep voicing "grave concern" over inconsistency between the deal and President Donald Trump's latest automobile tariffs.

During Trump's first term as president, the U.S. and Japan signed a bilateral trade deal in 2019 that cut tariffs on U.S. farm goods, Japanese machine tools and other products while staving off the threat of higher U.S. car duties.

Although the agreement did not cover automobile trade, then Japanese Prime Minister Shinzo Abe said he had received assurances from Trump that the U.S. would not impose "Section 232" national security tariffs on Japanese car imports.

"Between President Trump and I, myself, this has been firmly confirmed that no further, additional tariffs will imposed," Abe had told a news conference after signing the deal.

Japan, however, was not exempted from Trump's latest 25% tariff slapped on all automobile imports in the United States.

"Japan has grave concern over the consistency" with regards to the latest U.S. automobile tariffs and the 2019 bilateral trade deal, Ishiba told parliament.

"We will continue to convey our stance (to the U.S.) from this standpoint," Ishiba said, although he said Japan has no plan to terminate the 2019 agreement altogether.

Japan’s top trade negotiator, Ryosei Akazawa, visited Washington last week to kick off bilateral trade talks with the U.S., which will likely include discussions on non-tariff barriers and the thorny topic of exchange rates.

Finance Minister Katsunobu Kato plans to visit Washington later this week, where he is expected to meet U.S. Treasury Secretary Scott Bessent for discussions on currency rates.

The dollar hit a seven-month low of 140.615 yen on Monday on simmering market speculation that Japan could face U.S. pressure to prop up the yen, and help Washington reduce the huge U.S. trade deficit.

Trump has hit Japan with 24% tariffs on its exports to the U.S. although, like most of his levies, they have been paused until early July. A 10% universal rate remains in place, as does a 25% duty on cars, a mainstay of Japan's export-heavy economy.

BOJ chief Ueda to visit Washington for G20, IMF meetings

https://www.investing.com/news/economy-news/boj-chief-ueda-to-visit-washington-for-g20-imf-meetings-3992725

TOKYO (Reuters) -Bank of Japan Governor Kazuo Ueda will visit Washington from Tuesday through Sunday to attend the G20 finance leaders' gathering and the annual spring International Monetary Fund meetings, the central bank said on Monday.

The meeting will proceed the BOJ's two-day rate review on April 30-May 1, when the central bank will issue fresh quarterly growth and inflation forecasts.

China warns countries not to cut trade deals with U.S. that may harm its interests

Investing.com -- China's Ministry of Commerce issued a stern warning to countries against striking trade agreements with the U.S. that could undermine its interests, following reports that the Trump administration intends to offer tariff relief in return for curbs on trade with Beijing.

"China firmly opposes any party reaching a deal at the expense of China's interests," the ministry said Monday, warning that it would respond "resolutely" with reciprocal countermeasures in such a situation.

China also emphasized its readiness to work with others to oppose challenges and stand against unilateral bullying.

The ministry's statement comes as dozens of countries call for reductions or exemptions from U.S. trade tariffs. The Trump administration has temporarily lifted trade tariffs for a 90-day period for all nations except China, which has imposed its own retaliatory tariffs in response.

Tariffs on Chinese imports have now climbed to 145% following a series of U.S. actions, while Beijing has responded with retaliatory levies of 125% on

American goods. China recently indicated it does not plan to raise its general tariff rates any further.

In the statement, China’s commerce ministry has reiterated its commitment to strengthening partnerships, particularly with Southeast Asia and Europe, to bolster its trade network.

The statement also highlighted the ministry’s view that unilateralism and protectionism are global concerns that no country can ignore.

“If international trade regresses to the law of the jungle where the strong prey on the weak, all countries will end up as victims,” it said.

Highlighting its increasingly tough stance, Beijing plans to convene an informal United Nations Security Council meeting this week, where it will accuse the U.S. of “bullying” and of “casting a shadow over the global efforts for peace and development” through its use of tariffs as a political weapon.

Five things to watch in markets in the week ahead

Investing.com - Alphabet and Tesla (NASDAQ:TSLA) are set to kick off earnings from the all-important "Magnificent Seven" tech names, as Corporate America’s latest quarterly reporting season heats up. New economic data could provide an early glimpse into how U.S. President Donald Trump’s back-and-forth tariff agenda is impacting businesses and the wider economy. Renewed worries over the independence of the Federal Reserve will also likely be in focus after Trump attacked Chair Jerome Powell last week.

1. Alphabet (NASDAQ:GOOGL), Tesla to report

Google-parent Alphabet and Elon Musk-helmed electric carmaker Tesla are due to report quarterly results this week, becoming the first of the so-called "Magnificent Seven" mega-cap tech companies to unveil their latest earnings.

Investors are will be keen to see if the figures and potential guidance provide some relief for markets still reeling from the massive ructions in the recent weeks sparked by U.S. President Donald Trump’s tariff policies. In recent years, the Magnificent Seven stocks have largely been the driving force behind U.S. equity market gains, although shares in these businesses have slipped so far this year.

The VIX volatility index, a gauge of investor fears, has dipped to around 30 after cresting at roughly 60 during the levy-fueled market ructions earlier this month. The long-term median level is at around 17.6, LSEG Datastream figures cited by Reuters showed.

For Alphabet in particular, eyes will likely be trained yet again on its spending plans in the wake of rising doubts earlier in 2025 around huge investments in artificial intelligence. A judge's decision last week that Google has an illegal monopoly over online advertising technology has added to a debate around a possible breakup of its ad products unit by U.S. regulators as well.

Musk's close proximity to Trump -- and a backlash to his efforts to slash the size of the federal government -- may be a central focus for analysts. Media reports suggest that Tesla has been also grappling with a delay to the cheaper version of its Model Y offering, which was to supposed to cater to inflation-hit consumers, and dialed-back Cybertruck production due to tepid demand for the product.

2. Earnings season gathers pace

Apart from these tech giants, the quarterly parade of corporate earnings will pick up the pace in the coming days.

Boeing (NYSE:BA) is due to announce its results following reports that one of the planemaker's jets bound for a Chinese airline was sent back to the U.S. in an apparent response to a tit-for-tat trade war between Beijing and Washington. China has ordered its airlines not to take any more deliveries from Boeing, posing a fresh challenge for a company trying to bounce back from a challenging year marked by safety concerns, supply chain snafus, and a damaging labor strike.

Chipmaker Intel (NASDAQ:INTC), drug manufacturer Merck (NSE:PROR), tech firm IBM (NYSE:IBM), and Pampers-parent Procter & Gamble (NYSE:PG) are also on the earnings docket this week, as well as American Airlines (NASDAQ:AAL). The carrier's rival United Airlines last week provided a two-pronged outlook for the year, including one that warned of a recession causing a deep hit to revenue and profit.

U.S. profit growth expectations have largely waned as investors brace themselves for the possible impact from Trump's tariffs on economic activity. S&P 500 earnings are now seen increasing by 9.2% in 2025, down from a prior projection of 14% at the beginning of the year, according to LSEG IBES data cited by Reuters.

3. April PMIs due

On the economic calendar, markets will have the chance to parse through the flash U.S. purchasing managers' index on Wednesday.

The numbers will be among the first pieces of perceived "hard" economic data released since Trump announced -- and then partially delayed -- punishing tariffs on several countries around the world, analysts at Vital Knowledge said in a note to clients.

Economists have flagged that the duties could drive up inflationary pressures and weigh on growth, while several companies have said the measures have made it more difficult to map out business plans.

A final reading of the University of Michigan's key sentiment report is also scheduled to be released on Friday. The initial survey showed that consumer sentiment deteriorated heavily in April, while 12-month inflation expectations jumped their highest mark since 1981.

4. Fed independence in focus

Meanwhile, the Federal Reserve's closely-watched "Beige Book" is set to be announced on Wednesday.

The document provides a snapshot of the state of the economy in the weeks leading up to a Fed policy meeting.

At its last gathering in March, the Fed left its benchmark interest rate unchanged at 4.25% to 4.50%, as the central bank assessed inflationary risks and signs that the U.S. economy remains in a relatively solid position despite the pressure exerted by the uncertainty around Trump's tariffs.

Fed Chair Jerome Powell said last week that policymakers are "well positioned" to wait for greater clarity around the ultimate effects of the levies before rolling out any further rate adjustments. Powell added that officials may be "moving away" from their typical goals of keeping price growth at 2% and maintaining maximum employment for at least this year as the White House's trade policy ripples through the wider economy.

The Beige Book will come as Trump has revived threats to oust Powell from his role, accusing him of moving to slowly to bring down interest rates. However, the New York Times (NYSE:NYT) has reported that the president is aware that the action may further shake global financial markets.

5. IMF/World Bank Spring Meetings

The International Monetary Fund and World Bank Spring meetings take place in Washington this week, with Trump's erratic tariff policy likely to be the central theme of discussions.

As the White House attempts to upend longstanding U.S. relationships with its trading partners, finance ministers and central bank governors from around the world will likely be racing to capture time with the Trump administration.

Trump officials have said they are aiming to sign dozens of deals during the ongoing 90-day pause to the elevated reciprocal duties on a host of nations, although experts have cast doubt over whether this will be achievable.

One of the biggest items on the schedule for the events is the IMF's global economic outlook on Tuesday. IMF Managing Director Kristalina Georgieva has previously warned that the tariffs pose a "significant risk" to worldwide economic output and has asked Washington and other countries to work to calm trade tensions.

Asian bonds draw largest foreign inflows in seven months on rate cut hopes

(Reuters) -Asian bonds attracted the largest monthly foreign inflows in seven months in March, driven by hopes of rate cuts from regional central banks and their appeal as a haven as global assets were hit on worries over U.S. tariffs and a recession.

Foreigners purchased a net $7.16 billion worth of regional bonds during the month, booking their largest monthly net purchase since August 2024, according to data from regulatory authorities and bond market associations in South Korea, India, Indonesia, Thailand and Malaysia.

Earlier this month, U.S. President Donald Trump introduced sweeping tariffs on key trading partners, intensifying fears of a global economic slowdown.

However, he later rolled back the steep duties on dozens of countries for a 90-day period.

India and the Philippines’ central banks have cut interest rates this month, following concerns over growth after Trump’s tariff announcements.

South Korean bonds attracted strong inflows for a second consecutive month, totaling $3.99 billion—the highest since October 2024.

Indian bonds saw net inflows of $1.11 billion, marking the largest monthly gain in seven months. Meanwhile, Indonesian, Malaysian, and Thai bond markets recorded cross-border inflows of $900 million, $732 million, and $421 million, respectively.

"The 90-day tariff pause provides some breathing space, but there is no guarantee whether Asian economies(apart from China) will be able to negotiate preferential treatment," said Khoon Goh, head of Asia research at ANZ.

"The ongoing uncertainty will remain, which means portfolio flows in the region will remain volatile."

Trump’s call to fire Powell is ‘self-defeating’

Investing.com -- If tariffs weren’t enough for markets to contend with, President Donald Trump has thrown another major worry into the market with the calling of the head of Federal Reserve Chairman, Jerome Powell.

Trump has been calling on Powell to lower interest rates and last week called for his termination following hawkish comments from the Fed Chairman.

“Powell’s termination cannot come fast enough!” Trump stated last Thursday after calling him “too late” to cut rates.

Trump upped the ante on Monday, calling on Powell to initiate “preemptive cuts” or risk a slowing economy.

“With these costs trending so nicely downward, just what I predicted they would do, there can almost be no inflation, but there can be a SLOWING of the economy unless Mr. Too Late, a major loser, lowers interest rates, NOW,” Trump stated.

Unfortunately, it is Trump’s tariff policy that has Powell & Co. tightly on hold.

In his speech last week in Chicago, Powell highlighted that “[t]ariffs are highly likely to generate at least a temporary rise in inflation.” He also warned that their effects “could also be more persistent.” The Fed Chairman promised to wait for “greater clarity before considering any adjustments to our policy stance.”

Market watchers view the standoff between Trump and Powell as a power struggle over the Fed’s independence, which has markets worried.

Powell’s term as Fed Chairman runs through May of 2026, so there are legal questions arising if Trump has the authority to remove him before that.

“The risk is now twofold. First, that Powell holds the line and policy stays restrictive longer than markets had priced,” Nigel Green, CEO of deVere Group stated. “Second, that Trump intervenes—publicly or politically—sparking concerns over central bank independence.”

The USD is lower again today versus a basket of other currencies, and according to Thierry Wizman, Global FX & Rates Strategist at Macquarie, one of the reasons is that concerns over the Fed's independence have mounted.

While Evercore ISI strategist Krishna Guha thinks Trump could simply be venting or positioning Powell as a scapegoat, he describes his action toward the Fed chief as "self-defeating".

"Raising concern about Fed independence risks putting upward pressure on inflation expectations, making it harder for the Fed to cut rates," Guha states.

If Trump actually attempts to fire Powell, this could see a shift to stagflation trades, the strategist added. "Any actual attempt to fire Powell – still we think not likely – would lead to a surge in stagflation trades, with longer term yields soaring on inflation risk in a sharp curve steepening, a plunge in the dollar and an across-the-board increase in risk premia including the equity risk premium, likely guaranteeing recession," he commented.

"... if you liked the tariff debacle you'd love the loss-of-Fed-independence trade," the strategist concludes.

Exclusive-Huawei readies new AI chip for mass shipment as China seeks Nvidia alternatives, sources say

By Fanny Potkin and Che Pan

SINGAPORE/BEIJING (Reuters) - Huawei Technologies plans to begin mass shipments of its advanced 910C artificial intelligence chip to Chinese customers as early as next month, two people familiar with the matter said.

Some shipments have already been made, they added.

The timing is fortuitous for Chinese AI companies which have been left scrambling for domestic alternatives to the H20, the primary AI chip that Nvidia (NASDAQ:NVDA) had until recently been allowed to sell freely in the Chinese market.

This month, U.S. President Donald Trump's administration told Nvidia that sales of the H20 would require an export licence.

Huawei's 910C, a graphics processing unit (GPU), represents an architectural evolution rather than a technological breakthrough, according to one of the two people and a third source familiar with its design.

It achieves performance comparable to Nvidia’s H100 chip by combining two 910B processors into a single package through advanced integration techniques, they said.

That means it has double the computing power and memory capacity of the 910B and it also has incremental improvements, including enhanced support for diverse AI workload data, they added.

All sources were not authorised to speak to media and declined to be identified. Huawei declined to comment on what it called speculation about shipment plans for the 910C and its capabilities.

Seeking to limit China’s technological development, particularly advances for its military, Washington has cut China off from Nvidia’s most advanced AI products including its flagship B200 chip.

The H100 chip, for example, was banned from sale in China in 2022 by U.S. authorities before it was even launched.

This has allowed Huawei and Chinese GPU startups such as Moore Threads and Iluvatar CoreX to go after what has primarily been a market dominated by Nvidia.

The U.S. Commerce Department’s latest export curbs on Nvidia’s H20 "will mean that Huawei’s Ascend 910C GPU will now become the hardware of choice for (Chinese) AI model developers and for deploying inference capacity," said Paul Triolo, a partner at consulting firm Albright Stonebridge Group.

Late last year, Huawei distributed samples of the 910C to several technology firms and started accepting orders, sources have said.

Reuters was not able to ascertain which companies would be primarily producing the 910C.

China’s SMIC is manufacturing some main components of the GPUs using its N+2 7nm process technology although its chip yield rates are low, a source has previously said.

At least some of Huawei’s 910C GPUs use semiconductors that were made by TSMC for China-based Sophgo, according to one of the sources and a fourth person.

The Commerce Department has been investigating work done by the Taiwanese contract chip manufacturing giant for Sophgo after one of its TSMC-made chips was found in a 910B processor.

TSMC made nearly three million chips in recent years that matched the design ordered by Sophgo, according to Lennart Heim, a researcher at RAND's Technology and Security and Policy Center in Arlington, Virginia, who is tracking Chinese developments in AI.

Huawei reiterated that it has not used TSMC-made Sophgo chips. Sophgo did not immediately respond to a request for comment.

Wall St slumps as Trump renews tirade against Fed's Powell

By Lisa Pauline Mattackal and Purvi Agarwal

(Reuters) - Wall Street's main indexes each slid to more than one-week lows on Monday after U.S. President Donald Trump doubled down on attacks against Federal Reserve Chair Jerome Powell, amplifying concerns about the central bank's autonomy and rattling markets.

Trump repeated his criticism of Powell, saying in a Truth Social post that the economy could slow down unless interest rates are lowered immediately.

This was the latest salvo in Trump's continued criticism of the Fed chair, heightening worries about the central bank's ability to independently formulate monetary policy in the world's largest economy and undermining investor confidence in U.S. assets already diminished by Trump's tariffs.

A White House adviser had said on Friday that Trump and his team would study if firing Powell was an option.

At 11:44 a.m. ET, the Dow Jones Industrial Average fell 1,057.26 points, or 2.70%, to 38,084.97, the S&P 500 lost 148.27 points, or 2.81%, to 5,134.43, and the Nasdaq Composite lost 512.67 points, or 3.15%, to 15,773.78.

"To remove the Fed (chair) smells bad, for no apparent reason other than the president wants to take control... when (the market) has those question marks, nobody wants to invest," said Robert Pavlik, senior portfolio manager, Dakota Wealth Management.

Tariff worries also continued to haunt investors after China warned countries against striking deals with the U.S. at Beijing's expense.

All 11 S&P 500 sector indexes fell on the day. The consumer discretionary index led declines, dragged by a 6.9% dip in Tesla (NASDAQ:TSLA) shares after a Reuters report said the launch of the EV-maker's cheaper Model Y car was delayed.

AI heavyweight Nvidia (NASDAQ:NVDA) dropped 5.6%, extending losses after Reuters reported that Huawei Technologies planned to begin mass shipments of an advanced artificial-intelligence chip to customers in China as early as next month.

The small-cap Russell 2000 fell 2.4% and the CBOE Volatility index jumped 5 points to 34.68.

Central bank policymakers have over the past weeks flagged a cloudy interest-rate outlook owing to tariff uncertainty. Traders are now pricing in about 90 basis points of easing from the Fed this year, according to data compiled by LSEG.

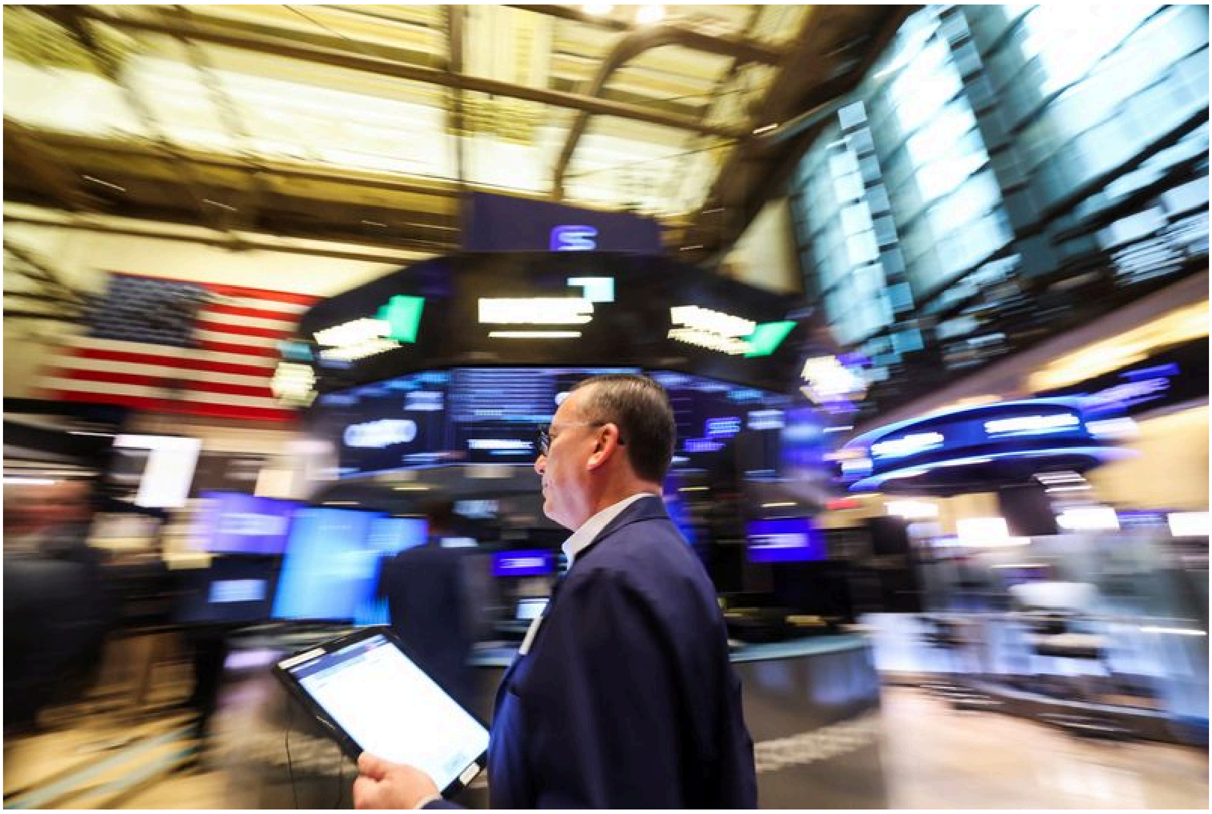
The uncertainty over U.S. trade and monetary policy has hit stocks hard this year, with the S&P 500 down over 16% from its February record high.

Company results will be keenly watched this week for clues on how corporations are navigating the uncertainty, as Tesla and Alphabet (NASDAQ:GOOGL) kick off earnings for the "Magnificent Seven" megacap stocks.

"You probably won't see that much of an impact from tariffs on first-quarter earnings reports, but it's the guidance going forward that is going to be in question," Pavlik said.

Netflix (NASDAQ:NFLX) shares rose 2.4% following an upbeat revenue outlook from the streaming giant despite possible economic turbulence.

FIS was the biggest individual gainer on the S&P 500, with its shares up 3.9% after a brokerage upgrade.



Declining issues outnumbered advancers by a 5.74-to-1 ratio on the NYSE, and a 3.2-to-1 ratio on the Nasdaq.

The S&P 500 posted one new 52-week high and seven new lows, while the Nasdaq Composite recorded 22 new highs and 146 new lows.

US stocks extend slide as Trump harangues Powell, S&P 500 down 3%

(Reuters) -Wall Street's main indexes each slid to more than one-week lows on Monday after U.S. President Donald Trump doubled down on attacks against Federal Reserve Chair Jerome Powell, amplifying concerns about the central bank's autonomy and rattling markets.

Trump repeated his criticism of Powell, saying in a Truth Social post that the economy could slow down unless interest rates are lowered immediately. That followed comments by a White House adviser on Friday that Trump and his team would study if firing Powell was an option.

Trump's continued criticism of the Fed chair has heightened worries about the central bank's ability to independently formulate monetary policy in the world's largest economy, undermining investor confidence in U.S. assets already diminished by Trump's tariffs.

MARKETS:

The S&P 500 was down 3.13% Monday afternoon, in trading somewhat thinned by the absence of numerous overseas markets that remained closed for Easter. The Nasdaq Composite was down 3.42% and the Dow Jones Industrial index was down 2.94%.

COMMENTS:

JACK ABLIN, CHIEF INVESTMENT OFFICER, CRESSET CAPITAL, CHICAGO

"The only new news today that could have triggered this kind of selloff is the fact that investors are worried about Fed independence. If the president puts his own person in, and lowers rates against a backdrop of rising inflation – we'd see a continuation of what we're experiencing now. Unfortunately, both stocks and the dollar are overvalued, which gives them room to fall more in this environment. The S&P 500, based on my calculations, is still 10 to 15% overdone, above fair market value."

JAMIE COX MANAGING PARTNER, HARRIS FINANCIAL GROUP, RICHMOND VIRGINIA

"Markets are showing disapproval of a lack of progress on trade negotiations. In the absence of any firm commitments from any countries, markets take the fire first, ask questions later (approach.)“

Trump to meet major retailers to discuss tariffs, White House official says

WASHINGTON (Reuters) -U.S. President Donald Trump is set to meet with representatives from major retailers on Monday afternoon to discuss the effects of broad-based tariffs on their businesses, a White House official said.

The official, speaking on the condition of anonymity, confirmed a Bloomberg report that said the meeting at the White House will include representatives from Walmart (NYSE:WMT), Home Depot (NYSE:HD), Lowe’s (NYSE:LOW) and Target. Big U.S. retailers, particularly Walmart and Target, import a high percentage of their goods from overseas, and the tariffs - including 145% levies on China - are expected to boost the cost for everyday consumer goods for Americans in coming months.

Walmart confirmed that CEO Doug McMillon would be at the meeting.

Trump’s tariff policies have sent ripples across numerous industries and exerted pressure on U.S. stock markets that have been roiled for weeks by his erratic moves. More recently he has expressed anger at remarks from Federal Reserve Chairman Jay Powell, who said last week that the economy was at risk from both lower growth and higher inflation. U.S. markets sold off on Monday, with the S&P 500 index down more than 3%, while the benchmark 10-year Treasury note and the U.S. dollar also came under pressure.

He announced sweeping tariffs on dozens of countries on April 2, before pausing the duties for a 90-day period - except those on China, singling out the world’s second largest economy for the biggest levies.

Home Depot, Lowe’s and Target did not immediately respond to requests for comment.

More than half of Walmart and Target’s imports are from China, according to company figures, while both Home Depot and Lowe’s also import from that nation.

Analysts are concerned that these retailers would see a substantial hit to their profit margins as a result of tariffs.

Walmart shares are up less than 2% in 2025, while the others have all posted double-digit losses. Target has been hit hardest, down 32% so far this year.

Hedge funds cut 'Mag Seven' to two-year low ahead of earnings

By Carolina Mandl

NEW YORK (Reuters) -Global hedge funds last week dumped the so-called Magnificent Seven megacap stocks, bringing their exposure to the group to a two-year low just ahead of their earnings, according to a Morgan Stanley note to clients seen by Reuters.

The bank said the Magnificent Seven stocks accounted for more than 60% of the total dollar amount sold by hedge funds between Monday and Wednesday last week, indicating portfolio managers are not very positive about the companies' prospects.

Elon Musk's electric vehicle maker Tesla (NASDAQ:TSLA) kicks off the Magnificent Seven's earnings season on April 22, followed by Alphabet (NASDAQ:GOOGL) two days later.

All the Magnificent Seven stocks - which also include Apple (NASDAQ:AAPL), Microsoft (NASDAQ:MSFT), Amazon (NASDAQ:AMZN), Nvidia (NASDAQ:NVDA), and Meta (NASDAQ:META) - are underperforming the S&P 500 index in 2025, with Alphabet down about 22% and Tesla off 44%.

Overall, investors are cutting back their Magnificent Seven bets. A BofA survey showed that, while the megacap companies were considered the most crowded trade by almost 60% of investors, now only 24% see them as such. Currently, gold is considered the most popular trade by 49% of the respondents.

Hedge funds also sold shares in the healthcare insurance, aerospace, defense, biotech, hotels, restaurants and leisure sectors last week, Morgan Stanley added.

Trump warns of economic slowdown unless Fed cuts rates, triggering selloff

By Howard Schneider and Ismail Shakil

(Reuters) -The U.S. economy could slow unless interest rates are lowered immediately, President Donald Trump said on Monday, repeating his criticism of Federal Reserve Chair Jerome Powell, who says rates should not be lowered until it is clearer Trump's tariff plans won't lead to a persistent surge in inflation.

"With these costs trending so nicely downward, just what I predicted they would do, there can almost be no inflation, but there can be a SLOWING of the economy unless Mr. Too Late, a major loser, lowers interest rates, NOW," Trump said in a post on Truth Social.

The comments, and the administration's seemingly intensifying pressure on a Fed chair Trump has stated he would like to see gone, sent stock markets lower and bond yields higher as investors and analysts mulled the fallout should Trump ignite a fight over the Fed's monetary policy independence and try to remove Powell before the end of his term a little over a year from now.

It's not clear Trump has the authority to do so, and even if successful the Fed's governance structure would give the remaining board members and regional bank presidents say over interest rate decisions - potentially forcing the White House into a deeper assault on the Fed's seven-member Board of Governors.

Trump's repeated threats to fire Powell come as he tries to goad the Fed into quickly cutting interest rates to mitigate a widely expected economic slowdown and possible harm to the labor market due to his tariff and other policies, while Fed policymakers urge caution on concerns inflation, which remains above their 2% target, could be pushed higher by the import taxes.

The Fed next meets on May 6-7 and is widely expected to hold the benchmark interest rate steady in the current 4.25% to 4.50% range.

WEAKER OUTLOOK

The growth outlook and overall sentiment have both been falling as Trump ratcheted up efforts to impose import taxes on goods from major U.S. trading partners and many core products, with top economists raising the estimated odds of a recession this year. The Conference Board's index of Leading Economic Indicators fell by 0.7% in March, and while still above recession levels "pointed to slowing economic activity ahead," said Justyna Zabinska-La Monica, senior manager, business cycle indicators, at The Conference Board, with consumer sentiment and manufacturing weakening and stock prices in decline.

While inflation is expected to decline in upcoming readings, there is broad agreement as well that the import tariffs Trump plans to impose will drive it back to perhaps 4% or higher through the rest of the year.

Fed officials say that while that price shock may prove temporary, allowing them to cut rates eventually, they worry it could lead to more persistent inflation that would require them to keep credit conditions tighter.

Chicago Fed President Austan Goolsbee said in comments to CNBC on Monday that the central bank needed more time to see the net impact of Trump's policies.

"The impact of tariffs on the macroeconomy could potentially be modest," Goolsbee said. "We don't know what the impact on the supply chain is going to be so I think we want to be a little more of a steady hand and try to figure out the through line before we're jumping to action."

U.S. stocks, which opened lower Monday on investor worries about Trump's escalating attacks on Powell, slid further after the president's social media post, with the benchmark S&P 500 Index down 2% on the day.

The rise in Treasury yields is a particularly sensitive point for the administration as it means higher mortgage, car loan and other financing rates for consumers, and more expensive credit conditions for companies. Long-term yields are set by market trading that can be influenced by but are ultimately independent of Fed decisions about where to fix the short-term benchmark it controls directly.

Analysis-US multinationals extend currency hedges to counter Trump’s tariff volatility

By Laura Matthews

NEW YORK (Reuters) -U.S. multinational companies are extending their currency hedges to longer periods to shield their cash flows from potential exchange rate volatility triggered by the Trump administration’s tariff policies.

The change in duration reflects the heightened uncertainty for these multinationals in the rapidly changing global trading landscape, particularly amidst fears of a recession and a weakening dollar.

A sharp jump in FX market gyrations following U.S. President Donald Trump’s April 2 unveiling of higher-than-expected global tariffs left some of their hedges underwater, bankers and hedging advisors said.

Even companies that weathered the surge in volatility relatively well have started to extend the duration of their hedges.

"Over the past week, we’ve seen a group of clients push their hedges out to the maximum available tenor as they look to lock in protection and ride out near-term instability," said Eric Huttman, CEO of MillTechFX.

Instead of hedging short-term risks, Garth Appelt, head of FX & emerging markets derivatives at Mizuho Americas, said his clients are now hedging two to five years out as dollar weakness has become one of the biggest fallouts of the tariff-related market turmoil.

A weaker dollar can be good for U.S. exporters since it makes their products relatively cheaper abroad. But uncertainty about global trade and recession fears is prompting companies to take additional steps to guard future profits.

A 90-day reprieve on some duties for all trading partners except China has done little to arrest the dollar’s decline or to tame the heightened volatility in the foreign exchange markets.

The dollar has weakened against major peers, with the euro hitting a three-year high against the greenback.

Companies have another powerful reason to look further out for their hedges: higher volatility has driven up the cost of near-term hedging instruments.

"Hedging farther out along the curve maintains the same level of protection against currency movements but without the need to crystallize profit and loss generated by short-term FX swings," said Simon Lack, head of investment solutions at MillTechFX.

Volatility expectations embedded in one-month and three-month at-the-money options contracts rose 72% and 46%, respectively, since April 2, before slightly easing, according to LSEG data. That means companies must pay more to insure themselves against potential losses in the short term.

Meanwhile, a two-year at-the-money EUR/USD options increased by just 23%.

PIVOTING TO OPTIONS

Trump’s tariff shock has upended most market participants’ assumptions on the outlook for the euro. While a stronger euro is generally beneficial for U.S. companies with sizeable sales in Europe since their foreign earnings convert to more U.S. dollars, it can also raise the cost of doing business for others.

"We’re seeing a lot more structures trying to protect anyone that needs to purchase euros for goods and materials," said Appelt.

Paula Comings, head of FX sales at U.S. Bank, said euro strength caught some clients a bit wrong-footed.

"There was tremendous focus on refining CAD (Canada) and MXN (Mexico) hedging strategies. Corporates have shifted attention now to better position themselves for a stronger euro," she said.

Some businesses are exploring window forwards, which offer the benefits of forward contracts but with flexible execution time frames, particularly appealing for companies facing an uncertain cash flow environment.

The appetite for other types of contracts that allow companies to buy or sell currencies at more attractive rates for a number of expiries without an upfront cost is also growing.

Over the past two to four weeks, Comings said more of her clients have also been pivoting away from hedging with forwards towards options, for greater flexibility as trade tensions drag on.

"There's some value in pursuing an option strategy. You don't have to decide today what tomorrow is going to look like," said Bob Stark, global head of enablement, at Kyriba.

"It's always hard to predict tomorrow. But it's especially hard right now."

Tesla delays launch of affordable U.S-made Model Y version

Investing.com -- Tesla (NASDAQ:TSLA)'s eagerly anticipated plans for a more affordable vehicle have been put on hold as the launch of a pared-down version of its top-selling electric SUV, the Model Y, has been delayed, Reuters reported, citing sources familiar with the situation.

According to the report, global production of the more affordable Model Y, internally referred to as E41, is anticipated to start in the United States.

This article was generated with the support of AI and reviewed by an editor. For more information see our T&C.

Netflix, Barrick Gold rise premarket; Tesla slips

Investing.com - U.S. stock futures slipped on Monday as investors assessed the impact of President Donald Trump's tariff plans and gauged his scathing remarks about Federal Reserve Chair Jerome Powell.

Here are some of the biggest premarket U.S. stock movers today:

- **Netflix (NASDAQ:NFLX)** shares rose after shares in Netflix edged higher in premarket U.S. trading after executives at the streaming service suggested they were confident that it could withstand the economic fallout from Trump's tariffs.
- **Taiwan Semiconductor Manufacturing Co's (NYSE:TSM)** American depositary receipts were lower after the contract chip giant's Arizona subsidiary reported a loss of NT$14.3 billion last year.
- **Tesla (NASDAQ:TSLA)** shares dropped after Wedbush Securities analysts Dan Ives said the electric vehicle maker faces a "code red" moment prior to its first-quarter earnings this week. Tesla is also grappling with a delay of several months to the production launch of a lower-cost model of its Model Y offering, according to Reuters.
- Magnificent Seven stocks -- a group of mega-cap technology names that includes Tesla, Facebook-owner **Meta Platforms (NASDAQ:META)**, e-commerce titan **Amazon (NASDAQ:AMZN)**, Google-parent **Alphabet (NASDAQ:GOOGL)**, iPhone manufacturer **Apple (NASDAQ:AAPL)**, software group **Microsoft (NASDAQ:MSFT)** and artificial intelligence-darling **Nvidia (NASDAQ:NVDA) --** retreated. The shares were weighed down by the U.S. dollar, which weakened after Trump revived threats to oust Federal Reserve Chair Jerome Powell.
- **Capital One (NYSE:COF)** has received approval from U.S. regulators to buy **Discover Financial Services (NYSE:DFS)**, sending shares in both higher.
- Miner **Barrick Gold (NYSE:GOLD)** climbed by more than 3% after the price of gold touched a new record high.

U.S. stocks tumble again amid tariff worries, Trump Fed remarks

Published 04/21/2025, 05:11 AM
Updated 04/21/2025, 10:57 AM

Investing.com - U.S. traded sharply lower on Monday as investors assessed the impact of President Donald Trump's tariff plans and gauged his scathing remarks about Federal Reserve Chair Jerome Powell.

By 10:51 AM ET, the benchmark S&P 500 had dipped by 119 points, or 2.3%, the tech-heavy Nasdaq Composite had shed 437 points, or 2.7%, and the blue-chip Dow Jones Industrial Average had retreated by 851 points, or 2.2%.

The main averages on Wall Street were closed on Friday, while some markets, including much of Europe, were on holiday for Easter Monday, meaning liquidity was relatively thin.

"[I]t's very likely April 2 was the high-water mark for tariffs, and we fully expect ongoing negotiations to yield 'deals' that bring down the duty burden," analysts at Vital Knowledge said, referring to the date when Trump revealed his sweeping reciprocal tariffs on both friends and foes alike.

Trump officials have said they are aiming to sign dozens of agreements during the ongoing 90-day pause to the elevated duties on a host of nations, although experts have cast doubt over whether this will be achievable.

Meanwhile, White House economic adviser Kevin Hassett has suggested that Trump officials are studying if the president could fire Fed Chair Jerome Powell. Trump has revived threats to oust Powell from his role at the helm of the U.S. central bank, accusing him of moving to slowly to bring down interest rates.

In a post on his Truth social today, Trump again called on Powell to lower interest rates in a "preemptive" move, saying there is little to no inflation. "With these costs trending so nicely downward, just what I predicted they would do, there can almost be no inflation, but there can be a SLOWING of the economy unless Mr. Too Late, a major loser, lowers interest rates, NOW," Trump said.

"Trump's tariffs seem likely to fuel inflation and even if this rise is only 'transitory,' markets will be on edge for the 6-12 months that the price adjustment takes place, with White House ire towards Powell steadily rising during that period," the Vital Knowledge analysts said.

Earnings deluge ahead

Against this backdrop, investors are gearing up for a bevy of corporate earnings reports this week.

Highlighting the slate of returns will be Google-parent Alphabet (NASDAQ:GOOGL) and Elon Musk-helmed electric carmaker Tesla (NASDAQ:TSLA), who will become the first of the so-called "Magnificent Seven" mega-cap tech names to unveil their latest results.

Traders will likely be keen to see if the figures and potential guidance provide some relief for markets still reeling from massive ructions sparked by Trump’s tariff policies. In recent years, the Magnificent Seven stocks have largely been the driving force behind U.S. equity market gains, although shares in these businesses have declined so far this year.

The VIX volatility index, a gauge of investor fears, has dipped to around 30 after cresting at roughly 60 during the market turmoil earlier this month. The long-term median level is at around 17.6, LSEG Datastream figures cited by Reuters showed.

Chipmaker Intel (NASDAQ:INTC), drug manufacturer Merck (NSE:PROR), tech firm IBM (NYSE:IBM), and Pampers-parent Procter & Gamble (NYSE:PG) are also on the earnings docket this week, as well as American Airlines (NASDAQ:AAL). The carrier’s rival United Airlines last week provided a two-pronged outlook for the year, including one scenario forecasting a recession that sparks a deep hit to revenue and profit.

Elsewhere, shares in Netflix (NASDAQ:NFLX) rose after executives at the streaming service suggested that they were confident that it could withstand the economic fallout from Trump’s tariffs.

Recent figures have pointed to deteriorating U.S. consumer sentiment and spiking inflation expectations, leading to some increased concerns that price-conscious customers may rein in nonessential spending, including on streaming subscriptions.

But, following better-than-expected quarterly results published after the close of U.S. trading last Thursday, Netflix co-CEO Greg Peters said the group has yet to see a significant change in consumer behavior.

Gold touches new record high

Gold prices hit a new record high on Monday, supported by fears over a tit-for-tat trade war between the U.S. and China as well as a weakening dollar against a basket of currency peers.

Spot gold had risen by 2.7% to $3,415.92 by 10:56 AM ET. Gold futures expiring in June also surged by 3% to $3,427.89.

Underpinning the jump in bullion was a slide in the U.S. dollar index to a three-year low, which can make the yellow metal less expensive for foreign buyers and drive up demand. Gold is also seen as a relative safe haven during times of economic uncertainty or market upheaval.

Meanwhile, oil prices dropped on indications that progress was being made in talks between the U.S. and Iran, which analysts say could boost supplies. Continued concerns that a tariff-fueled economic downturn could dent demand weighed on crude as well.

(Scott Kanowsky contributed to this report)

U.S. dollar plunges amid worries over Trump threat to Fed independence

Investing.com - The U.S. dollar weakened on Monday as investors fretted over remarks made by the White House about a possible shake-up of the Federal Reserve, casting doubt over the future independence of the central bank.

By 08:55 ET (14:55 GMT), the U.S. dollar index, which gauges the greenback against a basket of its currency pairs, had fallen by 1.2% to 98.21. It had earlier slumped to a three-year low of 98.164.

Against the Swiss franc, the dollar dropped by 1.4% to 0.8048, while the euro strengthened by 1.3% to $1.1542. The dollar also dropped to a seven-month low versus the Japanese yen on Monday. Sterling touched its highest mark since September and the Australian dollar jumped to a four-month peak.

Trading was relatively thin as most European markets and others in Hong Kong and Australia were closed for Easter Monday. Markets were widely shuttered for a holiday on Friday.

White House economic adviser Kevin Hassett has suggested that Trump and his team are studying if they could fire Fed Chair Jerome Powell. The statement came after President Donald Trump revived a threat to oust Powell from the role, accusing him of not moving fast enough to bring down interest rates.

Last week, Powell said that the central bank was not inclined to cut interest rates in the near future, citing the possible inflationary pressures and economic uncertainties stemming from the new tariffs.

PBOC keeps loan prime rate unchanged

The Chinese yuan's onshore USD/CNY pair fell, while the offshore pair USD/CNH lost 0.2%.

The People's Bank of China held its benchmark loan prime rate steady on Monday, in a potential sign of Beijing's preference for boosting economic growth through fiscal measures rather than additional monetary easing.

The PBOC left its one-year LPR at 3.1%, while the five-year LPR, which is used to set mortgage rates, was unchanged at 3.6%.

(Ayushman Ojha and Reuters contributed reporting.)

Investors pour into European equity funds, flee U.S. on tariff woes

https://www.investing.com/news/stock-market-news/investors-pour-into-european-equity-funds-flee-us-on-tariff-woes-3993486

(Reuters) -European equity funds drew massive inflows in the week ended April 16, while U.S. funds faced hefty outflows, as investors continued to shift capital on concerns over U.S. trade tariffs and mounting worries over the strength of the U.S. economy.

According to LSEG Lipper data, investors bought a net $11.13 billion in European equity funds and $3.64 billion in Asian equity funds. However, U.S. equity funds witnessed an outflow of $10.62 billion.

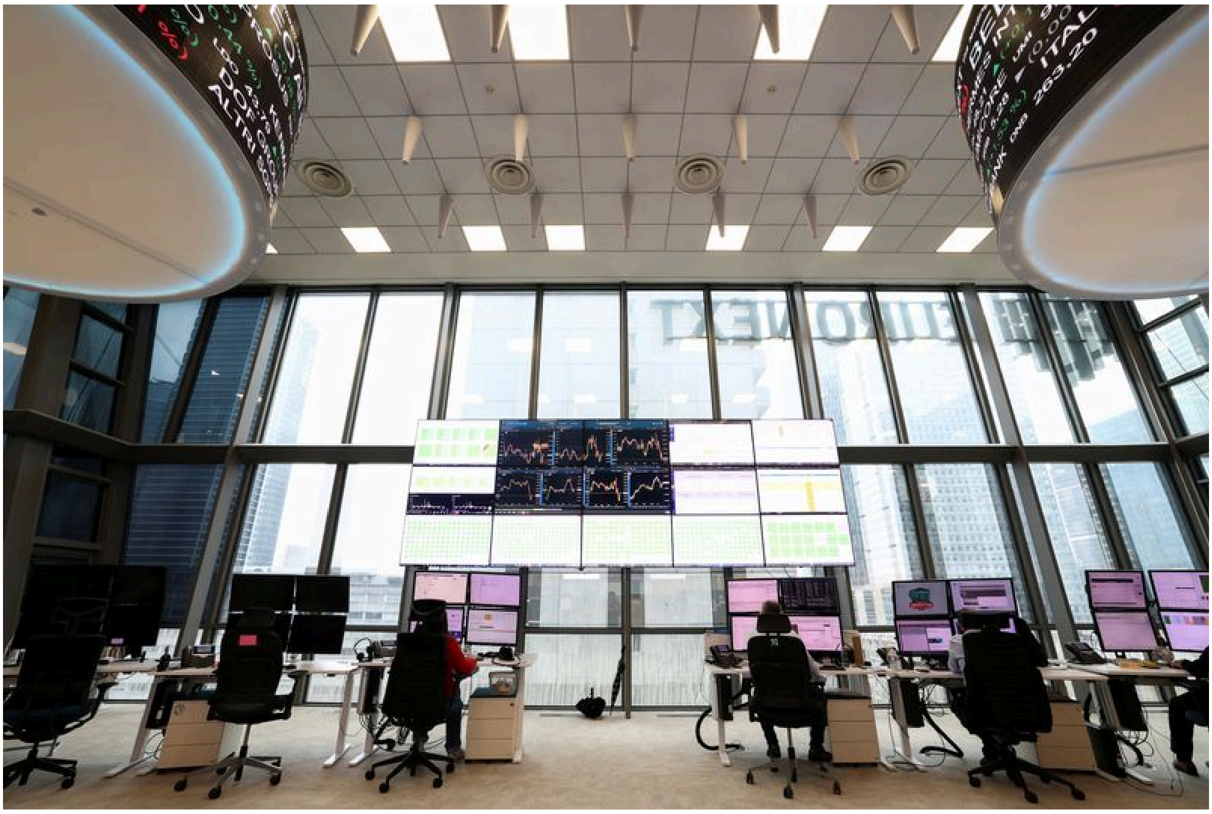
European stocks tumbled earlier this month after U.S. President Donald Trump imposed hefty tariffs on its trading partners, but have since recovered slightly following his announcement of a 90-day pause on the reciprocal measures.

Sectoral funds, meanwhile, suffered outflows for a third consecutive week to the tune of $2.58 billion, with healthcare and technology having $1.07 billion and $943 million in net sales leading the way.

Global bond funds faced a selloff for the second week in a row as investors pulled a hefty $19.96 billion on a net basis from these funds.

High-yield bond funds saw a net $5.17 billion worth of outflows in a fourth consecutive week of net sales, while U.S. short-term government bond funds received a massive $7.1 billion, marking a third successive week of net purchases.

David Weismiller, portfolio manager at Aristotle Pacific Capital, said flows into short-term government and other conservative bond funds are likely to continue to the extent the uncertainty in the market remains elevated.



Meanwhile, global money market funds experienced about $122.96 billion worth of net withdrawals as investors extended net sales into a second successive week.

Data covering 29,627 emerging market funds showed bond funds lost a massive $3.09 billion for a second consecutive week of net sales. Equity funds also saw a net $2.51 billion worth of divestments, the third successive week of outflows.

Wall Street set to fall as Trump ramps up attacks on Fed's Powell

By Lisa Pauline Mattackal and Purvi Agarwal

(Reuters) -U.S. indexes were on track to open lower on Monday after President Donald Trump's renewed attacks on Federal Reserve Chair Jerome Powell sparked concerns about the central bank's independence and rattled investors grappling with an escalating trade war.

White House economic adviser Kevin Hassett said on Friday that Trump and his team would study whether firing the Fed chair was an option, a day after Trump's comments that Powell's "termination cannot come fast enough".

The continued attacks on Powell increased worries about the Fed's independence in deciding the monetary policy path in the world's largest economy, hitting investor confidence in U.S. assets already diminished by Trump's sweeping changes to trade policy.

Losses in U.S. equity futures and the dollar further underlined those concerns. [MKTS/GLOB] [FRX/]

"The question is whether Powell could get fired. Apparently, Trump doesn't have the power to do that," said Ipek Ozkardeskaya, senior market analyst at Swissquote Bank.

"Powell looks like the only one who could counter — and win — against Trump, but the markets could well continue to be the collateral damage."

Powell has said that the law would not allow his removal. However, a case pending before the Supreme Court is being closely watched as a potential precedent for whether Trump can remove him.

At 8:15 a.m. ET, Dow E-minis were down 392 points, or 1%, S&P 500 E-minis were down 63.75 points, or 1.2%, and Nasdaq 100 E-minis were down 268.75 points, or 1.46%.

Gold miners rose in premarket trading as the safe-haven precious metal jumped, with Newmont rising 3.3%.

Futures linked to the small-cap Russell 2000 lost 1%. Trading volumes were relatively thin as investors returned from the Good Friday market holiday and most European markets were closed.

Tariff concerns continued to feature prominently on investors' radar after China warned countries against striking a broader economic deal with the United States at Beijing's expense.

Fed policymakers have recently flagged that tariff uncertainty was clouding their outlook and dampening growth, even as Trump makes repeated calls for lower interest rates.

Traders are now pricing in about 90 basis points of easing from the Fed this year, according to data compiled by LSEG.

The uncertainty over trade and monetary policy has hit stocks hard this year, with the S&P 500 down more than 10% year-to-date and 14% from its February record high.

Company results will be keenly watched this week for clues on how corporations are navigating the uncertainty, as Tesla (NASDAQ:TSLA) and Alphabet (NASDAQ:GOOGL) kick off earnings among the "Magnificent Seven" megacap stocks.

Netflix (NASDAQ:NFLX) shares rose 1.7% following an upbeat revenue outlook from the streaming giant despite possible economic turbulence.

Tesla fell 4.1% after a Reuters report said the launch of the EV-maker's cheaper Model Y car was delayed.

Nvidia (NASDAQ:NVDA) was last down 3.2% after Reuters reported that Huawei Technologies planned to begin mass shipments of an advanced AI chip to Chinese customers as early as next month.

Capital One Financial (NYSE:COF) gained 3.3% after U.S. banking regulators said on Friday that they had approved its $35.3 billion purchase of Discover Financial Services (NYSE:DFS).

Five things to watch in markets in the week ahead

https://www.investing.com/news/economy-news/five-things-to-watch-in-markets-in-the-week-ahead-3992837

Investing.com - Alphabet and Tesla (NASDAQ:TSLA) are set to kick off earnings from the all-important "Magnificent Seven" tech names, as Corporate America's latest quarterly reporting season heats up. New economic data could provide an early glimpse into how U.S. President Donald Trump's back-and-forth tariff agenda is impacting businesses and the wider economy. Renewed worries over the independence of the Federal Reserve will also likely be in focus after Trump attacked Chair Jerome Powell last week.

1. Alphabet (NASDAQ:GOOGL), Tesla to report

Google-parent Alphabet and Elon Musk-helmed electric carmaker Tesla are due to report quarterly results this week, becoming the first of the so-called "Magnificent Seven" mega-cap tech companies to unveil their latest earnings.

Investors will be keen to see if the figures and potential guidance provide some relief for markets still reeling from the massive ructions in the recent weeks sparked by U.S. President Donald Trump's tariff policies. In recent years, the Magnificent Seven stocks have largely been the driving force behind U.S. equity market gains, although shares in these businesses have slipped so far this year.

The VIX volatility index, a gauge of investor fears, has dipped to around 30 after cresting at roughly 60 during the levy-fueled market ructions earlier this month. The long-term median level is at around 17.6, LSEG Datastream figures cited by Reuters showed.

For Alphabet in particular, eyes will likely be trained yet again on its spending plans in the wake of rising doubts earlier in 2025 around huge investments in artificial intelligence. A judge's decision last week that Google has an illegal monopoly over online advertising technology has added to a debate around a possible breakup of its ad products unit by U.S. regulators as well.

Musk's close proximity to Trump -- and a backlash to his efforts to slash the size of the federal government -- may be a central focus for analysts. Media reports suggest that Tesla has been also grappling with a delay to the cheaper version of its Model Y offering, which was to supposed to cater to inflation-hit consumers, and dialed-back Cybertruck production due to tepid demand for the product.

2. Earnings season gathers pace

Apart from these tech giants, the quarterly parade of corporate earnings will pick up the pace in the coming days.

Boeing (NYSE:BA) is due to announce its results following reports that one of the planemaker's jets bound for a Chinese airline was sent back to the U.S. in an apparent response to a tit-for-tat trade war between Beijing and

Washington. China has ordered its airlines not to take any more deliveries from Boeing, posing a fresh challenge for a company trying to bounce back from a challenging year marked by safety concerns, supply chain snafus, and a damaging labor strike.

Chipmaker Intel (NASDAQ:INTC), drug manufacturer Merck (NSE:PROR), tech firm IBM (NYSE:IBM), and Pampers-parent Procter & Gamble (NYSE:PG) are also on the earnings docket this week, as well as American Airlines (NASDAQ:AAL). The carrier's rival United Airlines last week provided a two-pronged outlook for the year, including one that warned of a recession causing a deep hit to revenue and profit.

U.S. profit growth expectations have largely waned as investors brace themselves for the possible impact from Trump's tariffs on economic activity. S&P 500 earnings are now seen increasing by 9.2% in 2025, down from a prior projection of 14% at the beginning of the year, according to LSEG IBES data cited by Reuters.

3. April PMIs due

On the economic calendar, markets will have the chance to parse through the flash U.S. purchasing managers' index on Wednesday.

The numbers will be among the first pieces of perceived "hard" economic data released since Trump announced -- and then partially delayed -- punishing tariffs on several countries around the world, analysts at Vital Knowledge said in a note to clients.

Economists have flagged that the duties could drive up inflationary pressures and weigh on growth, while several companies have said the measures have made it more difficult to map out business plans.

A final reading of the University of Michigan's key sentiment report is also scheduled to be released on Friday. The initial survey showed that consumer sentiment deteriorated heavily in April, while 12-month inflation expectations jumped their highest mark since 1981.

4. Fed independence in focus

Meanwhile, the Federal Reserve's closely-watched "Beige Book" is set to be announced on Wednesday.

The document provides a snapshot of the state of the economy in the weeks leading up to a Fed policy meeting.

At its last gathering in March, the Fed left its benchmark interest rate unchanged at 4.25% to 4.50%, as the central bank assessed inflationary risks and signs that the U.S. economy remains in a relatively solid position despite the pressure exerted by the uncertainty around Trump’s tariffs.

Fed Chair Jerome Powell said last week that policymakers are "well positioned" to wait for greater clarity around the ultimate effects of the levies before rolling out any further rate adjustments. Powell added that officials may be "moving away" from their typical goals of keeping price growth at 2% and maintaining maximum employment for at least this year as the White House’s trade policy ripples through the wider economy.

The Beige Book will come as Trump has revived threats to oust Powell from his role, accusing him of moving to slowly to bring down interest rates. However, the New York Times (NYSE:NYT) has reported that the president is aware that the action may further shake global financial markets.

5. IMF/World Bank Spring Meetings

The International Monetary Fund and World Bank Spring meetings take place in Washington this week, with Trump’s erratic tariff policy likely to be the central theme of discussions.

As the White House attempts to upend longstanding U.S. relationships with its trading partners, finance ministers and central bank governors from around the world will likely be racing to capture time with the Trump administration.

Trump officials have said they are aiming to sign dozens of deals during the ongoing 90-day pause to the elevated reciprocal duties on a host of nations, although experts have cast doubt over whether this will be achievable.

One of the biggest items on the schedule for the events is the IMF’s global economic outlook on Tuesday. IMF Managing Director Kristalina Georgieva has previously warned that the tariffs pose a "significant risk" to worldwide economic output and has asked Washington and other countries to work to calm trade tensions.

Wedbush’s Dan Ives warns of "code red" for Tesla

Investing.com -- Tesla CEO Elon Musk is facing a “code red situation” with the company at a major crossroads, according to Wedbush analyst Dan Ives, who urged Musk to distance himself from his political affiliations and refocus on Tesla’s core business ahead of its crucial earnings report next week.

“We are now at a major crossroads for the Tesla (NASDAQ:TSLA) story,” Ives wrote in a note, warning that Musk’s involvement with the Trump Administration and DOGE has caused widespread brand damage and triggered a wave of negative consequences for Tesla.

Since Musk’s political alignment became more pronounced, “Tesla has now unfortunately become a political symbol globally,” Ives said. “Tesla’s stock has been crushed,” and protests and even violence against dealerships and owners have erupted.

There is “potentially 15%-20% permanent demand destruction for future Tesla buyers due to the brand damage Musk has created with DOGE,” he added.

Tesla reported a weak first-quarter delivery number, and Street estimates for 2025 deliveries have already dropped from 2 million to around 1.65 million. EPS projections are “now around $2 and could go lower,” Wedbush noted.

Still, Ives remains bullish long term, calling Tesla—along with Nvidia—one of “the most disruptive technology companies on the globe.”

But he emphasized that recovery hinges on Musk stepping away from politics. “Musk needs to leave the government, take a major step back on DOGE, and get back to being CEO of Tesla full-time,” argues Ives.

On the upcoming earnings call, the analyst said investors will be looking for updates on full self-driving timelines, the rollout of a lower-cost vehicle, and the company’s roadmap for AI and robotics.

This is “a fork in the road time,” Ives warned. “If Musk chooses to stay with the Trump White House it could change the future of Tesla/brand damage will grow.”

S.Korea braces for tough US trade talks, liberal party issues caution

By Joyce Lee and Hyunjoo Jin

SEOUL (Reuters) - South Korea's acting President Han Duck-soo said on Monday he expected trade talks with the United States this week in Washington to be the start of meaningful cooperation, but added that negotiations may not be easy.

Han said that South Korea's ministers of finance and industry are meeting U.S. Treasury Secretary Scott Bessent and USTR representative Jamieson Greer on April 24 at 8 a.m. (0000 GMT).

Seoul will make an "all-out effort" to find a mutually beneficial solution by "calmly and seriously" consulting with the U.S. under the principle of prioritising national interest, Han said.

"The consultation process with the U.S. may not be easy and (I am) aware that many expectations and concerns coexist as consultations with the U.S. kick off," Han said at a meeting with South Korean government officials to discuss the economy.

Han said the discussions would focus on trade balances, shipbuilding and liquefied natural gas. However, Trump has previously said defence cost-sharing would be part of "one-stop shopping" negotiations with Seoul.

Industry Minister Ahn Duk-geun, who will attend the talks with U.S. counterparts, told lawmakers on Monday that he will relay a request to exempt South Korea from steel and auto tariffs, Yonhap news agency reported citing lawmakers from parliament's trade committee.

Kim Hyun-chong, a foreign policy adviser to the country's presidential frontrunner Lee Jae-myung, cautioned the conservative-led interim administration on Monday against hastily negotiating and making significant concessions to the United States, warning that it would jeopardise national interests.

Kim, who heads the liberal party's task force on trade and security, said the interim government should not be in charge of the negotiations, asserting that no deal is better than a bad deal.

Kim served as South Korea's trade minister in 2018 when the country renegotiated a free trade deal with the United States during Trump's first term.

The presidential election will be held on June 3, after the impeachment of former President Yoon Suk Yeol for his December martial law declaration.

Bitcoin price today: jumps to $87.1k as dollar slides on Trump's Fed attack

https://www.investing.com/news/cryptocurrency-news/bitcoin-price-today-jumps-3-to-875k-as-dollar-tumbles-on-trumps-fed-attack-3992781

Investing.com-- Bitcoin rose more than 3% on Monday as the U.S. dollar slumped to a three-year low, driven by concerns over the Federal Reserve's independence after President Donald Trump hinted at firing Fed Chair Jerome Powell.

The world's largest cryptocurrency jumped 3.6% to $87,169.0 by 08:22 ET (12:22 GMT), to hit its highest level since April 2.

The token regained most of the ground it had lost since the announcement of Trump's reciprocal tariffs on April 2.

Dollar hits 3-year low on Fed shake-up fears

The gains came as the US Dollar Index plunged to its lowest level since March 2022 amid concerns over political interference in monetary policy.

White House economic advisor Kevin Hassett said on Friday that Trump and his team were studying the legality of firing Powell.

"Powell's termination cannot come fast enough!" Trump wrote in a Truth Social post while calling for the Fed to cut interest rates.

When the value of the dollar falls, investors often seek alternative assets to preserve their purchasing power.

Bitcoin, like gold, is viewed as a hedge against currency devaluation. Notably, gold prices were trading at a record high on Monday.

Bitcoin is also widely seen as a hedge against currency debasement and political instability. The token found support as confidence in traditional fiat currencies wavered.

The cryptocurrency was also supported by signs of possible tariff negotiations with major U.S. trading partners, including Japan and China.

President Trump said last week "big progress" was made after a meeting with a Japanese trade delegation in Washington, as the two nations opened talks aimed at resolving tensions over a wave of U.S. tariffs.

A Bloomberg report last week also showed that China was open to beginning trade talks with the Trump administration, but is demanding that the White House show more respect.

EU says it will enforce digital rules irrespective of CEO and location

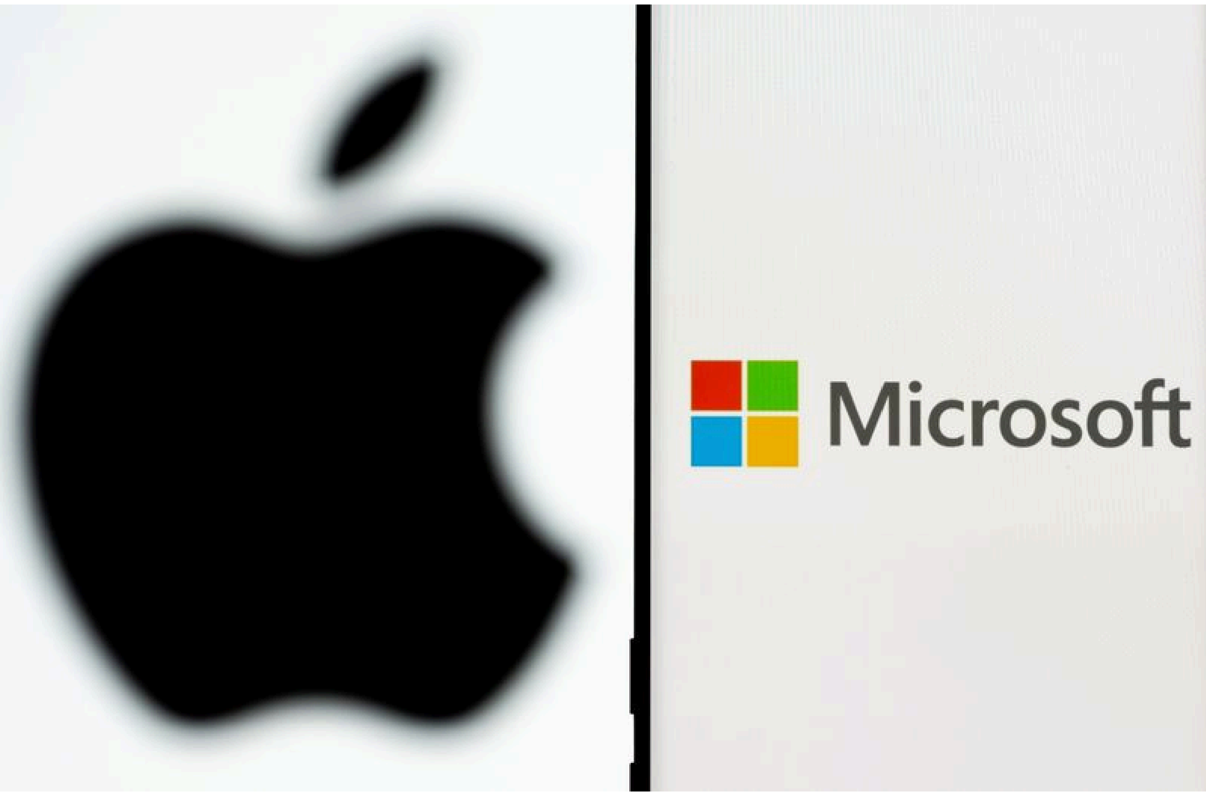
BRUSSELS (Reuters) -The European Union is determined to enforce its full digital rule book no matter who is in charge of companies such as X, Meta, Apple (NASDAQ:AAPL) and Tiktok or where they are based, Commission President Ursula von der Leyen told Politico.

"That's why we've opened cases against TikTok, X, Apple, Meta just to name a few. We apply the rules fairly, proportionally, and without bias. We don't care where a company’s from and who’s running it. We care about protecting people," Politico quoted von der Leyen as saying on Sunday.

The EU’s Digital Markets Act has been strongly criticised by the administration of U.S. President Donald Trump.

It sets out a list of dos and don’ts for tech giants such as Alphabet (NASDAQ:GOOGL), Amazon (NASDAQ:AMZN), Apple, Booking (NASDAQ:BKNG).com, ByteDance, Meta Platforms (NASDAQ:META), Microsoft (NASDAQ:MSFT), aimed at securing a level playing field and giving consumers more choices.

In February, Trump signed a memorandum warning that his administration would scrutinise the bloc’s Digital Markets Act and the Digital Services Act "that dictate how American companies interact with consumers in the European Union".



An EU decision on whether Apple and Meta have breached landmark tech rules aimed at curbing their market power will be issued in the coming weeks, EU antitrust chief Teresa Ribera said two weeks ago.

Both companies are expected to face modest fines for DMA violations, sources told Reuters last month.

Gold miners shares rise as bullion hits record high

Investing.com -- Shares of major gold mining companies, including Newmont (NYSE: NEM), Barrick Gold (NYSE: NYSE:GOLD), Agnico Eagle Mines (NYSE: NYSE:AEM), Kinross Gold (NYSE: NYSE:KGC), AngloGold Ashanti (NYSE: AU) climbed 3% following a surge in gold prices to a record high, driven by a combination of US dollar weakness, criticism of the Federal Reserve, and ongoing trade war concerns.

Gold's rally, which saw bullion surpassing $3,400 an ounce, came amidst the US currency falling to its lowest point since late 2023. The market's move was further influenced by President Donald Trump's consideration of firing Fed Chair Jerome Powell and advocating for lower interest rates. These developments have raised concerns over the independence of the Federal Reserve and potential politicization of US monetary policy.

The precious metal has experienced a significant uptrend this year as the trade conflict between the US and China has led to market uncertainty and a shift towards safer investments. The appetite for risk assets has weakened, while demand for havens has grown, as evidenced by a 12-week increase in holdings of bullion-backed exchange-traded funds—the longest such streak since 2022. Additionally, central banks have been accumulating gold in their reserves, contributing to strong global demand.

Amid these market conditions, banks have revised their outlook on gold, with some, like Goldman Sachs Group Inc (NYSE:GS)., predicting the metal could reach $4,000 by the middle of next year.

Tariff deal talks to dominate IMF-World Bank meetings this week

By David Lawder and Andrea Shalal

WASHINGTON (Reuters) -Hundreds of global finance leaders will descend on Washington this week, each with a singular mission: Who can I talk with to cut a trade deal?

The semi-annual gatherings of the International Monetary Fund and World Bank Group are bustling affairs with high-level multilateral policy talks, but also one-on-one meetings between finance ministers eager to broker deals on things like project financing, foreign investment back home and, for poorer economies, debt relief.

This year, rather than policy coordination on climate change, inflation and financial support for Ukraine's struggle against Russia's invasion, one issue will dominate: tariffs.

More specifically, how to get out from under - or at least minimize - the pain from U.S. President Donald Trump's unprecedented barrage of steep import taxes since his return to the White House in January.

And the focus may be largely on one man, new U.S. Treasury Secretary Scott Bessent, who is Trump's lead negotiator for tariff deals and whose support for the IMF and World Bank remains a question mark.

"Trade wars will dominate the week, as will the bilateral negotiations that nearly every country is trying to pursue in some way, shape or form," said Josh Lipsky, senior director of the Atlantic Council's GeoEconomics Center. "So this becomes a Spring Meetings unlike any others, dominated by one single issue."

'NOTABLE MARKDOWNS'

Trump's tariffs are already darkening the IMF's economic forecasts, due to be released on Tuesday, which will put more pressure on developing country debt burdens.

IMF Managing Director Kristalina Georgieva said last week that the World Economic Outlook's growth projections will include "notable markdowns but not recession," largely due to "off the charts" uncertainty and market volatility caused by the tariff turmoil.

Although Georgieva said the world's real economy continues to function well, she warned that increasingly negative perceptions about the trade turmoil and concerns about recession could slow economic activity.

Lipsky said a potential new challenge for policymakers is whether the dollar will still be a safe haven asset, after Trump's tariffs sparked a sell-off in U.S. Treasury debt.

The IMF and World Bank meetings, along with a sideline gathering of Group of 20 finance leaders have proved crucial forums for coordinating forceful policy actions in times of crisis, such as the COVID-19 pandemic and the 2008-2009 global financial crisis.

This time, with trade ministers in tow, delegations will be aiming to shore up their own economies first, policy experts say.

"The focus of these meetings in the past couple of years, which has been heavily on multilateral development bank reform and to some extent on strengthening the sovereign debt architecture, will fall by the wayside," said Nancy Lee, a former U.S. Treasury official who is a senior policy fellow at the Center for Global Development in Washington.

BESSENT TARIFF TALKS

Japan, pressured by Trump's 25% tariffs on autos and steel and reciprocal tariffs on everything else that could hit 24%, is particularly keen to sew up a U.S. tariff deal quickly.

With talks more advanced than those of other countries and participation by Trump, Japanese Finance Minister Katsunobu Kato is expected to meet with Bessent to resume the negotiations on the sidelines of the IMF and World Bank gathering.

South Korean Finance Minister Choi Sang-mok also accepted an invitation from Bessent to meet this week to discuss trade, Seoul's finance ministry said as the export-dependent U.S. ally seeks to delay implementation of 25% tariffs and cooperate with the U.S. on areas of mutual interest such as energy and shipbuilding.

But many participants in the meetings have questions over the Trump administration's support for the IMF and the World Bank. Project 2025, the hard-right Republican policy manifesto that has influenced many of Trump's decisions to reshape government, has called for the U.S. to withdraw from the institutions.

"I really see a key role for Secretary Bessent in these meetings to answer some very basic questions," Lee said. "First and foremost, does the U.S. view support for MDBs (multilateral development banks) as in its interest?" Lee said.

U.S. FINANCIAL SUPPORT

World Bank President Ajay Banga said last week that he has had constructive discussions with the Trump administration, but he did not know whether it would fund the $4 billion U.S. contribution to the bank's fund for the world's poorest countries pledged last year by former president Joe Biden’s administration.

Banga also is expected to expand this week on the bank’s energy financing pivot from primarily renewables to include nuclear and more gas projects and a shift towards more climate adaptation projects -- a mix more in line with Trump’s priorities.

Bessent did back the IMF’s new, $20 billion loan program for Argentina, traveling to Buenos Aires last week in a show of support for the country’s economic reforms and saying the U.S. wanted more such alternatives to "rapacious" bilateral loan deals with China.

Three former career Treasury officials who later represented the U.S. on the IMF executive board called the Fund "a great financial deal for America."

Stocks, dollar slide as Trump’s attacks on Fed shake markets

By Ankur Banerjee

SINGAPORE (Reuters) -Asian equities and U.S. stock futures slid on Monday as anxiety over tariffs and criticism of the Federal Reserve by President Donald Trump shook investor confidence, pushing the dollar sharply lower and catapulting safe-haven gold to a record high.

Trump launched a scathing attack against Fed Chair Jerome Powell on Thursday, with his team evaluating whether they could fire Powell, a move that would cast doubts about the central bank’s independence and further erode faith in U.S. assets.

Most markets were closed on Friday and some, including most of Europe, remained on holiday for Easter Monday, leading to thin liquidity.

S&P 500 futures fell 0.75% and Nasdaq futures slid 0.8%. In Asia, Japan’s Nikkei and Taiwan’s benchmark index were down more than 1% but Chinese stocks inched higher.

"Markets are already on edge due to escalating geopolitical tensions, and now concerns are rising that Trump’s potential interference with the Fed could add another layer of uncertainty," said Charu Chanana, chief investment strategist at Saxo in Singapore.

"Any signs of political pressure on monetary policy could undermine the Fed's independence and complicate the path ahead for interest rates just as investors are looking for stability amid global volatility."

Trump's tariffs have roiled financial markets and triggered a selloff in Treasuries and the dollar in April that stoked doubt in the long-held belief in the safe-haven status of U.S. assets.

The drop in confidence in U.S. assets has been exacerbated by Trump's attacks on the Fed and Powell through last week.

The relentless selling in the dollar led euro to a three-year high on Monday, while the yen hit a seven-month peak. The Swiss franc strengthened to its highest against the dollar in over 10 years. [FRX/] Chicago Federal Reserve President Austan Goolsbee said on Sunday that he hopes the United States is not moving to an environment where the ability of the central bank to set monetary policy independent of political pressure is questioned.

The Fed's credibility as the world's most powerful central bank rests largely on its historic independence to act free from political influence.

The yield on the benchmark U.S. 10-year Treasury note rose 3.5 basis points in Asian hours.

The two-year yield, which typically moves in step with interest rate expectations, was down 3.6 bps as traders weighed the possibility of rate cuts following pressure from Trump.U.S. EARNINGS IN FOCUS With the U.S. earnings season kicking off, investor focus this week will be on results from tech bellwether Alphabet (NASDAQ:GOOGL), chipmaker Intel (NASDAQ:INTC) and EV maker Tesla (NASDAQ:TSLA).

All the 'Magnificent Seven' megacap stocks are sharply lower in 2025, with Alphabet down about 20% and Tesla off 40%.

Companies and investors are grappling with a tariff landscape that is likely to keep shifting as the Trump administration negotiates with countries.

While Trump has paused some of the heftiest levies on imports, the U.S. is also locked in a trade battle with China, the world's second-largest economy.

Early April data from South Korea showed a sharp fall in exports, suggesting U.S. tariffs are starting to hit the global economy harder. South Korea and the United States are due to hold trade talks this week.

Trump said on Friday the U.S. is having good conversations privately with China amid the two countries' trade war. But China's ambassador to the United States has said the U.S. should show respect before any talks can take place.

In commodities, gold prices rose more than 1% to touch a record high of $3,370.17 per ounce, taking its gains so far this year to 26%. The metal has been consistently hitting record highs this year, buoyed by safe-haven flows.

Oil prices fell on Monday after nuclear talks between the United States and Iran showed progress, easing concerns that the dispute will reduce supply from the major Middle Eastern producer.

Brent crude futures fell 1.75% to $66.77 a barrel. U.S. West Texas Intermediate crude was at $63.55 per barrel, also down 1.75%. [O/R]

Bitcoin prices touched its highest level since April 2 and was last up 2.89% at $87,515.88.

China sanctions US congress members, officials and NGO heads

BEIJING (Reuters) - China has imposed sanctions on some U.S. congress members, government officials as well as heads of non-governmental organisations for "egregious behaviour on Hong Kong-related issues", its foreign ministry said on Monday.

The sanctions come in response to the U.S. sanctioning six Chinese and Hong Kong officials last month, which Chinese foreign ministry spokesperson Guo Jiakun said China "strongly condemns".

"Any wrong action taken by the U.S. side on the Hong Kong-related issue will be met with resolute and reciprocal counteraction by the Chinese side," Guo said.