



# Investment Daily

7 March 2025

## US stocks fell amid ongoing trade policy uncertainty

**US stocks** fell on Thursday on persistent concerns over US trade policy uncertainty and growth outlook. The S&P500 lost 1.8%.

Short-term **Treasury yields** fell and the yield curve steepened ahead of today's key US jobs data. 2-year yields fell 4bp to 3.96% as 10-year yields ended flat at 4.28%.

**European stock markets** traded mostly higher on Thursday, aided by a significant shift in German fiscal policy. The Euro Stoxx 50 closed 0.6% higher. The German DAX rallied 1.5%, while the French CAC rose 0.3%. In the UK, the FTSE-100 fell 0.8%.

**European government bonds** extended losses as investors continued to digest German government spending plans. 10-year German bund yields rose 4bp to 2.83%. In the UK, 10-year gilt yields edged 2bp lower to 4.66%.

**Asian stock markets** mostly rose on Thursday, as temporary reprieves in US trade policy buoyed market sentiment. Japan's Nikkei 225 and Korea's Kospi advanced 0.8% and 0.7%, respectively. Chinese equities extended gains amid ongoing policy optimism. Hong Kong's Hang Seng surged by 3.3%, driven by gains in technology and real estate shares, as China's Shanghai Composite added 1.2%. Elsewhere, India's Sensex closed 0.8% higher.

WTI **crude oil** for April delivery edged 0.1% higher to USD66.4 a barrel on Thursday, snapping a four-day straight losing streak.

**US stocks and short-term Treasury yields fell**

**European stocks mostly rose; government bonds fell**

**Chinese stocks extended gains**

## Key Data Releases and Events

### Releases yesterday

The **European Central Bank** (ECB) delivered an expected 25bp cut in the deposit rate to 2.50% from 2.75% previously, ECB president Lagarde stated that policy was "meaningfully less restrictive".

The **Central Bank of Turkey** lowered the 1-week repo lending rate by 250bp to 42.50%, citing increasing signs of disinflation. Still, policy remains in restrictive territory.

### Releases due today (07 March 2025)

Country	Indicator	Period	Survey	Prior
United States	Change in Non-Farm Payrolls	Feb	160k	143k

**US non-farm payrolls** are expected to rise 160k in February after January's 143k increase. The unemployment rate should be unchanged at 4.0% in February.

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