

Investment Daily

22 January 2025



US stocks and Treasuries rose, with US policy moves in focus

US stock markets rose on Tuesday as investors assessed President Trump's executive orders and anticipated further policy announcements. The S&P 500 ended 0.9% higher.

US Treasuries advanced (yields fell) and the yield curve flattened on US President Trump's latest tariff threats and a drop in oil prices. 10-year yields ended 5bp lower at 4.58%, while 2-year yields decreased 1bp to 4.27%.

European stock markets ended mixed but mostly higher on Tuesday as investors digested news from US President Trump's inauguration. The Euro Stoxx 50 closed flat. The German DAX rose 0.2%, with the French CAC gaining 0.5%. In the UK, the FTSE-100 was up 0.3%.

European government bonds rose (yields fell), aided by higher US Treasuries. 10-year German yields fell 2bp to 2.51%, 10-year French yields were down 3bp to 3.27%. In the UK, 10-year gilt yields closed 7bp lower at 4.59%.

Asian stock markets ended a choppy session mixed on Tuesday, as investors assessed US President Trump's Inauguration Day policy announcements. Japan's Nikkei 225 ended 0.3% higher ahead of Friday's Bank of Japan policy decision. Hong Kong's Hang Seng rallied 0.9%, China's Shanghai Composite closed little changed (-0.1%). Elsewhere, India's Sensex fell 1.6% amid underwhelming corporate earnings.

Crude oil prices fell on Tuesday amid renewed concerns over global trade disputes following US President Trump's latest remarks about imposing additional tariffs on Mexico and Canada. WTI crude oil for February delivery settled 2.6% lower at USD75.9 a barrel.

US stocks and Treasuries rose

European stocks and government bonds rose

Asian stocks traded mixed

Key Data Releases and Events

Releases yesterday

In the **United Kingdom**, the **ILO unemployment rate** nudged slightly higher to 4.4% in the three months to November, from 4.3% in the three months to October. Private sector underlying earnings increased to 6.0% yoy in the three months to November compared to 5.5% yoy in the three months to October, above the market consensus.

Releases due today (22 January 2025)

No major data releases today.

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