Investment Daily

16 April 2025

US stocks traded mixed as Treasury yields edged lower

US stocks traded mixed; Treasuries rose

US stocks were mixed on Tuesday as investors remained cautious regarding US trade policy developments. The S&P 500 closed 0.2% lower, with Consumer Discretionary and Health Care leading the losses, while bank shares rallied on some solid earnings reports.

US Treasuries extended gains (yields fell further). 10-year yields slid 4bp to 4.33%.

European stocks rose, while government bonds were range-bound

European stock markets rose on Tuesday, buoyed by gains in bank and automaker shares amid continued global trade tensions. The Euro Stoxx 50 closed 1.2% higher. The German DAX climbed 1.4%, as the French CAC gained 0.9%. In the UK, the FTSE-100 ended 1.4% higher.

European government bonds were range-bound. 10-year German bund yields edged 2bp higher to 2.53%, as 10-year French bond yields were up 2bp at 3.29%. In the UK, 10-year gilt yields were down 1bp to 4.65%.

Asian stocks traded higher

Asian stock markets mostly tracked US stocks' overnight gains on Tuesday, with US tariff news remaining in focus. Japan's Nikkei 225 advanced 0.8%, led by automaker shares amid rising hopes for an US tariff reprieve for the sector. Korea's Kospi increased 0.9%, while India's Sensex rallied by 2.1% upon returning from a holiday. Meanwhile, Chinese equities edged higher ahead of today's major economic data releases. Hong Kong's Hang Seng and China's Shanghai Composite ended up 0.2% and 0.1% respectively.

Crude oil prices edged lower on Tuesday as investors continued to assess the outlook for crude oil demand and supply. WTI for May delivery settled 0.3% lower at USD61.3 a barrel.

Key Data Releases and Events

Releases yesterday

In the **UK**, **unemployment rate** was flat at 4.4% in the three months to February, in line with market expectations. Average earnings in private sector remained stable at 5.9% in the three months to February.

In **India**, **headline CPI inflation** was 3.3% yoy in March, down from 3.6% yoy in February, remaining below the RBI's 4% target. This provides room for further gradual monetary easing ahead.

Releases due today (16 April 2025)

Country	Indicator	Period	Survey	Prior
United States	Industrial Production (mom)	Mar	-0.2%	0.7%
United States	Retail Sales (mom)	Mar	1.4%	0.2%
Canada	BoC Policy Rate	Apr	2.75%	2.75%
United Kingdom	CPI (yoy)	Mar	2.7%	2.8%
China	GDP (yoy)	Q1	5.2%	5.4%
China	Industrial Production (yoy)	Mar	5.9%	5.9%
China	Retail Sales (yoy)	Mar	4.3%	4.0%

In the **US**, **retail sales** should rise 1.4% mom in March following February's 0.2% mom increase. **Industrial production** is expected to contract 0.2% mom in March, reversing a 0.7% mom increase in February.

The **Bank of Canada** may leave policy on hold on concerns over rising inflation. However, a cut is possible given downside growth risks.

In the **UK**, **CPI** should remain stable at 2.7% yoy in March, as higher train fares are offset by lower petrol prices. Services inflation remains sticky

In **China**, **GDP** growth should rise 5.2% yoy in Q1 amid favourable policy support. **Industrial production** growth should remain solid at 5.9% yoy in March, with high-end manufacturing activity remaining the key driver. **Retail sales** are expected to edge up to 4.3% yoy in March, supported by policy priority areas, such as the trade-in programme. However, rising trade frictions remain a key downside risk.

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