HSBC

Investment Daily

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US stocks extended rallies amid lower Treasury yields

US stocks and Treasuries rallied

US stocks extended their rallies on Thursday amid lower Treasury yields and growing optimism regarding a more imminent Fed rate cut. Investors also digested mixed corporate earnings while monitoring global trade developments. The S&P 500 closed 2.0% higher, as the tech-heavy Nasdaq rose by 2.7%.

US Treasuries rose (yields fell) following a solid 7-year Treasury debt auction result, along with remarks from Fed officials that reinforced expectations for rate cuts. 10-year yields dropped by 7bp to 4.31%.

European stocks and government bonds rose

European stock markets rose on Thursday as investors continued to digest Q1 earnings. The Euro Stoxx 50 added 0.3%. The German DAX increased by 0.5%, as the French CAC was up 0.3%. The FTSE-100 in the UK edged up 0.1%.

European government bonds rose (yields fell), reversing the previous day's losses. 10-year German bund yields decreased by 5bp to 2.45%, while 10-year French bond yields were down 7bp at 3.17%. In the UK, 10-year gilt yields lost 5bp to 4.50%.

Asian stocks were mixed

Asian stock markets traded mixed on Thursday as investors continued to monitor trade negotiations between the US and its trading partners. Japan's Nikkei 225 extended gains, closing 0.5% higher, driven by exporter shares following strong month-to-date inflows into Japanese assets. In contrast, Hong Kong's Hang Seng fell by 0.7%. China's Shanghai Composite closed nearly flat, whilst Korea's Kospi was little changed, down 0.1%. Elsewhere, India's Sensex edged 0.4% lower after recent rallies.

Crude oil prices rebounded modestly on Thursday after declining in the previous session amid market caution against the oil production outlook, geopolitical developments and ongoing trade talks. WTI for June delivery settled 0.8% higher at USD62.8 a barrel.

Key Data Releases and Events

Releases yesterday

In **Germany**, the **IFO Business Climate index** came in stronger than expected at 86.9 in April from 86.7 in March, defying trade war concerns. Fiscal stimulus plans may be supporting sentiment.

In the **United States**, **durable goods orders** surged 9.2% mom in March following February's 1.0% mom increase, aided by the volatile transportation component. Excluding this, orders were little changed in March.

Releases due today (25 April 2025)

Country	Indicator	Period	Survey	Prior
United Kingdom	Retail Sales (mom)	Mar	-0.4%	1.0%

In the **UK**, **retail sales** are expected to fall 0.4% mom in March having risen 1.0% mom in February amid continued headwinds facing households.

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