

Investment Daily

24 April 2025



US stocks extended gains, as Treasury yield curve flattened further

US stocks rallied further on Wednesday, fuelled by growing optimism over trade negotiations between the US and its trading partners following recent comments from officials. The S&P 500 closed 1.7% higher.

US Treasuries traded mixed, and the yield curve flattened further on a backdrop of an improved market sentiment and a solid 5-year Treasury debt auction result. 2-year yields ended 5bp higher to 3.87%, while 10-year yields were down 2bp at 4.38%.

European stock markets rose Wednesday on rising optimism of an easing of global trade tensions. The Euro Stoxx 50 rose by 2.8%. The German DAX increased 3.1%, as the French CAC was up 2.1%. In the UK, the FTSE-100 ended 0.9% higher.

European government bonds weakened (yields rose) as investors digested latest PMI surveys. 10-year German bund yields increased 6bp to 2.50%, while 10-year French bond yields ended up 3bp at 3.24%. In the UK, 10-year gilt yields edged 1bp higher at 4.55%.

Asian stock markets broadly tracked US stocks' overnight gains on Wednesday amid easing global trade worries. Japan's Nikkei 225 and Korea's Kospi rallied by 1.9% and 1.6%, respectively. Hong Kong's Hang Seng advanced by 2.4%, while China's Shanghai Composite bucked the regional trend to remain relatively unchanged, down 0.1%. Meanwhile, India's Sensex rose by 0.7%.

Crude oil prices fell on Wednesday as concerns about oversupply resurfaced following news reports that some OPEC+ members may seek to accelerate output increases. WTI for June delivery settled 3.2% lower at USD62.3 a barrel.

US stocks rose further; Treasury yield curve continued to flatten

European stocks and government bond yields closed higher

Asian stocks broadly rose

Key Data Releases and Events

Releases yesterday

The flash **Euro area composite PMI** index fell to 50.1 in April, from 50.9 in March, below the market consensus.

The flash **UK composite PMI** index dropped to 48.2 in April compared to 51.5 in March, the first contraction since October 2023.

In the **US**, the **composite PMI** declined to 51.2 in April, from 53.5 in March. Manufacturing confidence increased, but service sector's sentiment worsened.

Releases due today (24 April 2025)

Country	Indicator	Period	Survey	Prior
Germany	IFO business climate index	Apr	85.2	86.7
US	Durable goods orders (mom)	Mar	2.0%	1.0%

In **Germany**, higher US tariffs are expected to weigh on **IFO business climate index** in April.

US durable goods orders should rise 2% mom in March following February's 1% mom increase.

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