

## U.S. Futures Rise, Oil Falls; Asia Markets Mixed Amid Vietnam Deal

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U.S. stock futures edged up modestly while oil prices fell, signaling cautious optimism among investors as a new trade agreement between the United States and Vietnam takes shape. This development has sparked reactions across Asian markets, highlighting the complex interplay of global trade tensions and regional economic ties.

On Thursday, Tokyo's Nikkei 225 increased by 0.1% to 39,794.16, while South Korea's Kospi gained a stronger 1% to 3,106.46. In contrast, Australia's S&P/ASX 200 slipped 0.1% to 8,589.30, and Hong Kong's Hang Seng index dropped 1% to 23,976.41. Mainland China's

Shanghai Composite slightly increased by 0.1%, reaching 3,357.36. Taiwan's TAIEX surged 1.4%, and India's Sensex added 0.3%, illustrating a mixed but overall positive trend in key Asian markets.

The market movements are closely tied to the newly announced trade deal between the United States and Vietnam. According to the agreement, U.S. products exported to Vietnam will face zero tariffs, whereas Vietnamese goods imported into the United States will be subject to a 20% tariff. This asymmetry is designed to support American exports while applying pressure on imports from Vietnam.

Financial analysts from Mizuho Bank expressed cautious optimism but highlighted potential risks associated with the deal. They noted concerns about transshipping goods through Vietnam to evade tariffs, suggesting that a higher tariff rate of 40% could be imposed on such products. This possibility raises the stakes for regional trade and could impact countries heavily reliant on China and the United States for economic growth.

“This agreement could create a two-sided geoeconomic squeeze,” Mizuho said, emphasizing that many Asian economies are vulnerable due to their significant reliance on both major powers. The trade relationship between China and the United States is complex and has been strained by tariffs and trade restrictions, making Vietnam's role as a trade hub even more significant.

The impact of the trade deal was immediately visible in the stock market. Companies that import many products from Vietnam, such as Nike, saw their shares rise sharply. Nike's stock increased by 4.1%, reflecting investor confidence in the company's ability to navigate the new trade landscape. Notably, factories in Vietnam produced half of Nike's brand footwear in the fiscal year 2024, making the deal particularly relevant for the company.

Meanwhile, U.S. stock indexes continued to perform well. The Standard & Poor's 500 Index (S&P 500) rose by 0.5%, setting a record for the third time in four days. The Dow Jones Industrial Average slightly declined by 10 points, or less than 0.1%, while the Nasdaq Composite climbed 0.9%. These gains reflect ongoing investor confidence despite uncertainties in global trade.

Overall, the trade agreement between the United States and Vietnam has created many opportunities and challenges. While it aims to boost American exports and protect domestic industries, it also introduces new complexities for Asian economies that depend

on the delicate balance between China and the United States. Investors and businesses will watch closely as the situation develops, adapting their strategies to the evolving global trade environment.