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ASX Falls Slightly Amid US Tariff Uncertainty

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The Australian Securities Exchange (ASX) closed the week slightly lower as concerns over global trade tensions and rising inflation in the United States outweighed local optimism. The S&P/ASX 200 index dipped by 0.1 percent for the week, closing at 8662 on Friday, retreating from an early session fall of nearly 1 percent. Markets responded cautiously to a combination of economic headwinds, with the technology and banking sectors leading the day's decline.

The subdued performance came despite encouraging signs of easing inflation in Australia. However, any local gains were quickly overshadowed by geopolitical developments. United States President Donald Trump announced new tariff hikes targeting key global trading partners while maintaining a ten percent base tariff across all imports. Markets had been anticipating adjustments, but the scale of the tariff expansion introduced fresh volatility. Compounding the situation was an unexpected rise in US inflation figures for June, which dampened expectations of rate cuts in the near term.



HarbourVest managing director Scott Voss provided insight into investor sentiment, noting that while the outcome was not ideal for all, it represented a relatively measured result given earlier fears. “This feels like this is where the markets expected us to be,” said Voss. “Not everybody’s probably happy with the deal, but we’ve landed in a better place with what we know today than kind of where we started from.” His comments reflected broader market relief that the developments, while disruptive, did not escalate into a full-blown financial shock.

Looking ahead, investors will remain focused on both domestic inflation data and global monetary policy trends. Australian equities remain vulnerable to fluctuations in US policy, especially in light of ongoing tariff realignments and persistent inflation in major economies. A stronger US dollar and pressure on commodity prices may also weigh on local sentiment in the coming weeks. Nevertheless, sectors such as financials and industrials are expected to remain resilient provided fiscal discipline is maintained and policy direction favours growth-oriented outcomes.