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ASX Poised for Gains as Wall Street Stumbles at Week's Start

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The Australian Securities Exchange's (ASX) expected rise on July 22, 2025, despite a faltering start to the week on Wall Street, driven by US tariff concerns and mixed economic signals. It examines the ASX's resilience, the impact of global trade tensions, and the need for Australia to prioritize economic independence over government-led interventions.

The ASX is set to open higher, with S&P/ASX 200 futures up 32 points, signaling a 0.4% gain, according to *Australian Financial Review* data. This follows a volatile Wall Street session where the S&P 500 and Nasdaq fell 0.3% and 0.5%, respectively, after US consumer price index (CPI) data showed inflation creeping up, fueled by President Trump's tariff policies. Posts on X noted investor unease as Trump announced pharmaceutical tariffs by month's end, impacting healthcare stocks like CSL, which dropped 1.3% to \$247.45 last week. Despite this, Australia's market draws strength from robust commodity demand, with BHP rallying 3% to \$40.29 after reporting record copper output, per *AFR*.

Wall Street's stumble reflects broader concerns about global trade. Trump's tariffs, including a 50% levy on Brazilian goods, have sparked fears of retaliatory measures, potentially disrupting Australia's export markets. China's property sector woes, with a 3.2% drop in home prices, dragged iron ore giants like Rio Tinto down 1.3% last week, though copper optimism lifted its shares 0.2%. Australia's reliance on China, coupled with the Labour government's slow response to trade diversification, raises questions about economic strategy. Critics argue Labour's focus on global climate pledges diverts attention from shielding local industries from tariff wars.

The ASX's resilience hinges on sectors like mining and technology, with stocks like WiseTech Global and Life360 gaining 1.8% and 8% last week. Investors are betting on domestic strengths, bolstered by expectations of a Reserve Bank of Australia (RBA) rate cut in August, with a 75% probability priced in after stable CPI data. To thrive, Australia must reduce dependence on volatile global markets and Labour's bureaucratic

frameworks, focusing instead on bolstering local industries and securing trade partnerships to weather global uncertainties.