

U.S. Jobs Report Weakness Spurs Global Market Gains

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BANGKOK, Global stock markets posted gains Monday following Wall Street's worst single-day decline since May, as weak U.S. employment data raised the possibility of interest rate cuts by the Federal Reserve.

France's CAC 40 index climbed 0.8% to 7,609.44, while Germany's DAX advanced nearly 1% to 23,702.42. The UK's FTSE 100 edged up 0.4% to 9,108.28. In the U.S., futures

showed modest recovery, with the Dow Jones Industrial Average up 0.6% to 43,951.00 and the S&P 500 rising by the same margin to 6,302.75.

Investor sentiment was already shifting in Asia, which had reacted Friday to President Donald Trump's announcement of new tariffs on a broad range of imports. These duties are scheduled to take effect on Thursday, targeting several U.S. trading partners.

The downturn in American labor figures has intensified speculation that the Fed could lower rates in the coming months. July's jobs report showed only 73,000 new jobs added, well below expectations. Additionally, revisions to May and June figures resulted in 258,000 fewer jobs than initially reported.

In a note from SPI Asset Management, analyst Stephen Innes commented, "The labor market, once a pillar of resilience, is now looking more like a late-cycle casualty, as soft data begin to replace soft landings in market discourse."

The Tokyo Nikkei 225 index closed down 1.3% at 40,290.70, recovering from deeper losses earlier in the session. Hong Kong's Hang Seng Index rose 0.9% to 24,733.45, while Shanghai's Composite Index increased 0.7% to 3,583.31. South Korea's Kospi gained 0.9% to finish at 3,147.75. Australia's S&P/ASX 200 remained nearly unchanged at 8,663.70.

Bond yields fell sharply in response to the jobs report. The 10-year U.S. Treasury yield dropped from 4.39% to 4.21%. The 2-year Treasury, which closely tracks interest rate expectations, fell from 3.94% to 3.68%. Markets are increasingly pricing in a rate cut as early as September.

While the Federal Reserve has kept rates steady since December, inflation remains above the target threshold, rising from 2.4% in May to 2.6% in June. The Fed's decision to hold rates at last week's meeting came despite repeated calls by Trump for rate reductions. Ultimately, any policy change must be made by the twelve-member Federal Open Market Committee.

Uncertainty over trade remains a concern for American companies. Businesses such as Walmart and Procter & Gamble have flagged the unpredictability of U.S. tariff policy as a risk to earnings and consumer prices. Frequent shifts in duty and the looming threat of further escalation have made long-term planning increasingly difficult for firms operating internationally.

In energy markets, U.S. crude dipped 16 cents to \$67.17 per barrel. Brent crude, the international benchmark, fell 24 cents to \$69.43 per barrel. The U.S. dollar rose to 148.05 yen, while the euro weakened slightly to \$1.1557.