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ASX Edges Up as CPI Data Looms

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The Australian Securities Exchange (ASX) posted a modest gain on Tuesday as investors traded cautiously ahead of the highly anticipated Consumer Price Index (CPI) data due on Wednesday. After starting the day in the red, the ASX200 recovered to close up by 6.9 points or 0.08 percent at 8,704.6. Market participants appeared to tread carefully in response to global trade uncertainties and domestic economic signals.

Despite a sluggish open, sentiment improved slightly throughout the session. The broader All Ordinaries Index followed a similar path, ending the day with a gain of 3.2 points or 0.04 percent at 8,966.7. Traders are closely watching both local inflation data and international developments, particularly the fallout from recent tariff negotiations involving the United States. These global factors continue to weigh on investor confidence and influence short term positioning on the Australian market.

Currency markets remained relatively stable, with the Australian dollar inching higher. It closed the day up by 0.06 percent to 65.25 US cents . The minor uptick reflects a wait-and-see approach ahead of Wednesday's inflation data, which will be pivotal in shaping expectations around future interest rate decisions by the Reserve Bank of Australia (RBA). A higher than expected CPI result could revive speculation of further tightening, while a subdued reading may ease pressure on households and businesses already managing rising costs.

As markets gear up for the CPI announcement, the cautious trading seen on Tuesday reflects broader economic uncertainty and a desire among investors to avoid premature moves. While volatility has remained relatively contained, underlying concerns about inflation and global trade disruptions are influencing sentiment. With Wednesday's data release expected to provide clearer direction, market participants are watching closely to determine whether the ASX's resilience can hold amid shifting economic currents. The coming days may prove decisive in shaping the near term trajectory of both equity markets and monetary policy debates.