

Stocks fluctuate as Trump delays tariffs

AFP | London, United Kingdom

Stock markets wavered yesterday, with investors bracing for volatile trading in the coming weeks as President Donald Trump pressed on with tariffs against China after delaying duties on Mexican and Canadian imports.

Oil prices retreated as Beijing announced retaliatory tariffs against US products, including hydrocarbons, shortly after US levies came into force on Tuesday.

“Chinese imports of US crude and oil products are relatively modest,” Jorge Leon, an economist at Rystad Energy, told AFP.

“However, the key question is where we go from here. Is this the start of a tit-for-tat trade war between the two biggest economies in the world? If so, the downside risk to global economic growth would be significant,” he said.

Gold, a haven asset in uncertain times, traded close to recent

Key figures around 1445 GMT

New York - Dow:	▼ 0.1% at 44,388.98 points
New York - S&P 500:	▲ 0.2% at 6,003.73
New York - Nasdaq:	▲ 0.5% at 19,487.61
London - FTSE 100:	▼ 0.3% at 8,561.71
Paris - CAC 40:	▲ 0.4% at 7,888.02
Frankfurt - DAX:	▲ 0.2% at 21,459.97
Tokyo - Nikkei 225:	▲ 0.7% at 38,798.37 (close)
Hong Kong - Hang Seng Index:	▲ 2.8% at 20,789.96 (close)
Shanghai - Composite: Closed for a holiday	
Euro/dollar:	▲ at \$1.0350 from \$1.0302 on Monday
Pound/dollar:	▲ at \$1.2442 from \$1.2407
Dollar/yen:	▲ at 155.02 yen from 154.80 yen
Euro/pound:	▲ at 83.19 pence from 83.03 pence
West Texas Intermediate:	▼ 2.2% at \$70.96 per barrel
Brent North Sea Crude:	▼ 1.6% at \$74.34 per barrel



record highs.

Investors also tracked mixed earnings from major companies -- including alcoholic drinks giant Diageo, which scrapped a key performance target as it predicted sales of tequila and Cana-

dian whisky in the key US market would be hit by the tariffs.

Markets from Japan to New York were sent tumbling Monday after news at the weekend that Trump had signed off 25% duties against Mexico and Can-

ada, fanning concerns for the stuttering global economy.

Hours before the tariffs were due to kick in, Trump said he would postpone the measures until March.

China, Canada and Mexico are

the United States' three biggest trading partners.

“A risk is that this is the beginning of a tit-for-tat trade war, which could result in lower GDP growth everywhere, higher US inflation, a stronger

dollar and upside pressure on US interest rates,” said Stephen Dover, chief market strategist and head of Franklin Templeton Institute.

“The uncertainty surrounding the permanence of these tariffs makes it challenging for companies to make informed capital investment decisions,” he added.

Trump has warned that the European Union would be next in the firing line and has not ruled out tariffs against Britain.

The volatile start to February on markets follows their roller-coaster ride last week after China's DeepSeek unveiled a cheaper artificial intelligence model rivalling those of US tech giants, sparking questions over the vast sums invested in the sector in recent years.

“One thing we can say for sure. Markets are going to remain subject to massive headline risk in coming hours... days... and years,” forecast Ray Attrill, foreign currency strategist at National Australia Bank.

OpenAI chief Altman signs deal with South Korea's Kakao after DeepSeek upset

Seoul, South Korea

OpenAI chief Sam Altman signed a deal with tech giant Kakao in South Korea on Tuesday as the US firm seeks new alliances after Chinese rival DeepSeek shook the global AI industry.

Kakao, which owns an on-line bank, South Korea's largest taxi-hailing app, and a messaging service, announced a partnership allowing them to use ChatGPT for its new artificial intelligence services, joining a global alliance led by OpenAI amid intensifying competition in the sector.

“We're excited to bring advanced AI to Kakao's millions of users and work together to integrate our technology into services that transform how Kakao's users communicate and connect,” said Altman.

“Kakao has a deep understanding of how technology can enrich everyday lives,” he added.

Kakao's CEO Shina Chung said the company was “thrilled” to establish a strategic collaboration with OpenAI.

Altman's company is part of the Stargate drive announced by US President Donald Trump to invest up to \$500 billion in AI infrastructure in the United States.

But AI newcomer DeepSeek has sent Silicon Valley into a



Open AI CEO Sam Altman (R) and Kakao CEO Chung Shin-a (L) talk during a press conference at a hotel in Seoul

frenzy, with some calling its high performance and supposed low cost a wake-up call for US developers.

“Highly Aware”

At a closed meeting with South Korean AI developers, Altman admitted OpenAI “hasn't found a strategy yet” to respond to DeepSeek.

When asked by an executive of Wrtm Technologies -- a Seoul-based AI firm -- about his plans for addressing the rise of open-source models such as DeepSeek, Altman said there is “definitely room for open source”.

“We haven't figured out a strategy yet, but we want to do more,” he added.

Altman seems “quite nervous internally but it appears

OpenAI is indeed highly aware of, and influenced by, DeepSeek's impact”, said Kim Jang-hyun, a data science Professor at Sungkyunkwan University..

“With South Korea being a country known for its high loyalty, frequent usage, and tech-savvy user base,” OpenAI might use the country as “a testing ground before expanding globally”, Kim told AFP.

Also on Altman's agenda were meetings with two top South Korean chipmakers, Samsung and SK hynix, both key suppliers of advanced semiconductors used in AI servers.

Altman met with SK Group chairman Chey Tae-won and SK hynix CEO Kwak Noh-jung in Seoul to discuss collaboration

on AI memory chips, including high bandwidth memory (HBM), and AI services.

He is also expected to meet with Samsung Electronics chairman Lee Jae-yong later Tuesday.

Jaejune Kim, executive vice president of Samsung's memory business, said last week that the company was “monitoring industry trends considering various scenarios” when asked about DeepSeek.

DeepSeek's performance has sparked a wave of accusations that it has reverse-engineered the capabilities of leading US technology.

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OpenAI says rivals are using a process known as distillation in which developers creating smaller models learn from larger ones by copying their behaviour and decision-making patterns -- similar to a student learning from a teacher. The company is itself facing multiple accusations of intellectual property violations, primarily related to the use of copyrighted materials in training its generative AI models.

Ferrari races to another record-breaking year, e-model set for Oct. 9



Rome, Italy

Italian luxury carmaker Ferrari posted another set of record results yesterday, with net profit surging to more than 1.5 billion euros last year.

Chief executive Benedetto Vigna also confirmed during a conference call that Ferrari would launch its first all-electric vehicle on October 9, one of six new models introduced this year.

Profit was up 21 percent on the previous year to 1.53 billion euros (\$1.58 billion), beating the 1.46 billion euros predicted by analysts surveyed by Factset.

For the fourth quarter alone, net profit climbed 31 percent from the period the year before to 386 million euros, also ahead of forecasts.

Revenues reached 6.68 billion euros over the full year, surpassing Ferrari's own target of more than 6.55 billion euros.

Yet the company sold just 89 more cars compared to the previous year, with shipments

increasing barely one percent to 13,752.

“Quality of revenues over volumes -- I believe this best explains our outstanding financial results in 2024, thanks to a strong product mix and a growing demand for personalisations,” Vigna said in the earnings statement.

“On these solid foundations, we expect further robust growth in 2025, that will allow us to reach one year in advance the high-end of most of our profitability targets for 2026,” he said.

Under a strategic plan adopted in June 2022, Ferrari forecast turnover of up to 6.7 billion euros by 2026, fuelled by the launch of 15 new models over the 2023-2026 period.

During the call, Vigna also revealed that many Ferrari owners come back for more.

“In 2024, we sold approximately 81 percent of our new cars to existing Ferrari clients and 48 percent to clients who currently own more than one Ferrari,” he said.

China says to probe Google over anti-monopoly violations

Beijing, China

China yesterday said it would probe US tech giant Google over violations of anti-monopoly laws after Washington slapped 10 percent levies on Chinese goods.

Beijing's State Administration for Market Regulation said the US tech giant was “suspected of violating the Anti-Monopoly Law of the People's Republic of China”.

It has “launched an investiga-



tion into Google in accordance with the law” as a result, the administration said in a statement.

It did not provide further details about the allegations against Google.

The US tech behemoth's core search engine and many of its services are blocked in mainland China, where US internet titans have long struggled with doing business due to the “Great Firewall” that blocks politically sensitive content.

Google in 2011 abandoned its Chinese-language search engine in the mainland and transferred

it to Hong Kong.

By 2014, China blocked the last remaining way to access Google's email service Gmail.

Beijing also said Tuesday it would add US fashion group PVH Corp. -- which owns Tommy Hilfiger and Calvin Klein -- and biotech giant Illumina to a list of “unreliable entities”.

The move would “safeguard national sovereignty, security and development interests, in accordance with relevant laws”,

China's commerce ministry said in a statement.

“The above two entities violate normal market transaction principles, interrupt normal transactions with Chinese enterprises, and take discriminatory measures against Chinese enterprises,” it added.

China in September said it was investigating PVH for an “unreasonable” boycott of cotton from its Xinjiang region, where Beijing is accused of widespread

rights violations.

AFP has reached out to all three firms for comment.

The United States on Saturday announced sweeping measures against major trade partners, with goods from China facing an additional 10 percent tariff on top of existing duties.

Trump said the measures aimed to punish countries for failing to halt flows of illegal migrants and drugs including fentanyl into the United States.