

# Weekly Market Update

The imposition of aggressive tariffs by the US prompted retaliatory actions from countries like China, the EU, and the UK, leading to widespread market declines, heightened fears of a global recession, and increased uncertainty in both developed and emerging markets.

## US

President Donald Trump imposed aggressive tariffs of up to 25% on imports from China, Canada, and Mexico, aiming to revive American manufacturing.

These tariffs led to a significant sell-off in global stock markets, with the Dow Jones Industrial Average, S&P 500, and Nasdaq Composite all experiencing substantial declines.

Economists expressed concerns about rising inflation and the potential for a global recession due to these trade tensions. JP Morgan raised global recession odds to 60%.

Over 50 countries initiated trade talks with the US in response to the new tariffs, seeking exemptions or adjustments to avoid economic fallout.

## UK

UK Prime Minister Keir Starmer ordered a significant reset of economic policies in response to US tariffs, including a 10% base tariff on UK imports.

The FTSE 100 index plummeted over 7% during the week, marking its worst performance since March 2020, as investors reacted to trade uncertainties.

British businesses, notably Jaguar Land Rover (JLR), faced operational challenges, with JLR pausing US shipments to adapt to new trade conditions.

The UK government considered raising taxes or altering fiscal rules to increase borrowing and stimulate growth amid fears of a prolonged recession.

## Europe

The EU prepared retaliatory measures against US tariffs, targeting \$28 billion worth of American imports in response to new trade barriers.

European Commission President Ursula von der Leyen proposed a fund mobilising nearly €800 billion for defence investments, including military aid for Ukraine, amid heightened geopolitical tensions.

European stock markets, including the DAX 40, experienced sharp declines due to concerns over escalating trade tensions and potential economic fallout.

The EU faced internal debates on adjusting fiscal rules and policies to counteract potential economic downturns resulting from trade conflicts with the US.

## Asia/ROW

China's stock markets showed relative resilience, with the Shanghai Composite index falling only 0.6% in USD terms over the week, despite global market volatility triggered by trade tensions.

The Chinese government expanded controls on business dealings with key US companies, aiming to counteract US trade measures and protect domestic interests.

Japan's Nikkei 225 index declined by 4% in USD terms amid global market volatility driven by US tariff announcements and escalating trade tensions.

Global markets, including those in emerging economies, experienced heightened volatility as investors reacted to trade tensions and potential recession risks.

# Performance

| Asset Class/Region                  | Currency |                            |                  |          |           |
|-------------------------------------|----------|----------------------------|------------------|----------|-----------|
|                                     |          | Week ending<br>04 Apr 2025 | Month<br>to date | YTD 2025 | 12 Months |
| Developed Market Equities           |          |                            |                  |          |           |
| United States                       | USD      | -9.1%                      | -9.6%            | -13.5%   | -0.5%     |
| United Kingdom                      | GBP      | -6.8%                      | -6.1%            | 0.0%     | 4.9%      |
| Continental Europe                  | EUR      | -8.4%                      | -6.8%            | -1.1%    | -2.0%     |
| Japan                               | JPY      | -10.0%                     | -6.6%            | -9.9%    | -6.9%     |
| Asia Pacific (ex Japan)             | USD      | -3.1%                      | -1.1%            | 0.0%     | 7.4%      |
| Australia                           | AUD      | -3.9%                      | -2.2%            | -5.0%    | 1.6%      |
| Global                              | USD      | -8.5%                      | -8.3%            | -10.0%   | -0.4%     |
| Emerging markets equities           |          |                            |                  |          |           |
| Emerging Europe                     | USD      | -8.3%                      | -6.1%            | 9.6%     | 6.5%      |
| Emerging Asia                       | USD      | -2.3%                      | -0.3%            | 1.0%     | 9.0%      |
| Emerging Latin America              | USD      | -4.8%                      | -3.9%            | 8.3%     | -17.3%    |
| BRICs                               | USD      | -2.9%                      | -2.0%            | 6.0%     | 15.5%     |
| China                               | USD      | -3.0%                      | -1.5%            | 13.3%    | 36.8%     |
| MENA countries                      | USD      | -1.9%                      | -1.9%            | -0.3%    | -0.6%     |
| South Africa                        | USD      | -12.2%                     | -11.7%           | 0.6%     | 11.5%     |
| India                               | USD      | -2.6%                      | 8.7%*            | -2.9%    | 0.4%      |
| Global emerging markets             | USD      | -2.9%                      | -1.2%            | 1.7%     | 6.2%      |
| Bonds                               |          |                            |                  |          |           |
| US Treasuries                       | USD      | 1.5%                       | 1.2%             | 4.2%     | 6.3%      |
| US Treasuries (inflation protected) | USD      | 0.7%                       | 0.3%             | 4.5%     | 6.9%      |
| US Corporate (investment grade)     | USD      | 0.3%                       | 0.1%             | 2.5%     | 5.9%      |
| US High Yield                       | USD      | -2.0%                      | -2.0%            | -1.0%    | 5.9%      |
| UK Gilts                            | GBP      | 1.8%                       | 1.6%             | 2.1%     | 1.0%      |
| UK Corporate (investment grade)     | GBP      | 0.6%                       | 0.5%             | 0.9%     | 3.3%      |
| Euro Government Bonds               | EUR      | 0.8%                       | 0.9%             | -0.5%    | 2.3%      |
| Euro Corporate (investment grade)   | EUR      | 0.0%                       | 0.0%             | 0.2%     | 4.3%      |
| Euro High Yield                     | EUR      | -1.1%                      | -0.9%            | -0.3%    | 6.5%      |
| Global Government Bonds             | USD      | 2.1%                       | 1.9%             | 4.7%     | 4.5%      |
| Global Bonds                        | USD      | 1.6%                       | 1.5%             | 4.4%     | 5.0%      |
| Global Convertible Bonds            | USD      | -3.9%                      | -3.4%            | -2.4%    | 5.6%      |
| Emerging Market Bonds               | USD      | -0.3%                      | -0.4%            | 1.6%     | 6.3%      |

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|                                |          | Week ending<br>04 Apr 2025 | Month<br>to date | YTD 2025 | 12 Months |
| Property                       |          |                            |                  |          |           |
| US Property Securities         | USD      | -7.0%                      | -7.8%            | -7.1%    | 4.2%      |
| Australian Property Securities | AUD      | -2.6%                      | -0.5%            | -7.8%    | -5.9%     |
| Asia Property Securities       | USD      | 0.3%                       | 1.6%             | 7.9%     | 2.6%      |
| Global Property Securities     | USD      | -4.5%                      | -4.5%            | -3.2%    | 3.4%      |
| Currencies                     |          |                            |                  |          |           |
| Euro                           | USD      | 1.4%                       | 1.5%             | 6.0%     | 1.0%      |
| UK Pound Sterling              | USD      | -0.3%                      | -0.1%            | 3.0%     | 1.8%      |
| Japanese Yen                   | USD      | 2.2%                       | 2.2%             | 7.3%     | 3.4%      |
| Australian Dollar              | USD      | -4.5%                      | -3.7%            | -2.9%    | -9.2%     |
| South African Rand             | USD      | -3.8%                      | -4.1%            | -1.3%    | -2.6%     |
| Swiss Franc                    | USD      | 2.7%                       | 3.0%             | 5.7%     | 5.3%      |
| Chinese Yuan                   | USD      | -0.3%                      | -0.3%            | 0.2%     | -0.7%     |
| Commodities & Alternatives     |          |                            |                  |          |           |
| Commodities                    | USD      | -6.3%                      | -7.2%            | -2.4%    | -3.7%     |
| Agricultural Commodities       | USD      | -1.8%                      | -1.8%            | -2.6%    | -3.0%     |
| Oil                            | USD      | -10.9%                     | -12.3%           | -12.1%   | -27.7%    |
| Gold                           | USD      | -1.5%                      | -2.5%            | 15.8%    | 32.9%     |



# Global Matters Weekly

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