



Weekly Market Update

The week was marked by significant monetary policy actions, with both the Bank of England and the People's Bank of China implementing interest rate cuts to counteract economic pressures from ongoing trade tensions. These measures, alongside renewed US-China trade negotiations, influenced global markets, leading to shifts in investor strategies and market dynamics.

US

The world's two largest economies agreed to lower tariff duties for 90 days, slashing the US rate on China from 145% to 30%, with Chinese levies on the US dropping from 125% to 10%.

Moody's rating agency cut the US rating to Aa1 from Aaa, saying a ballooning budget deficit showed little sign of narrowing.

April inflation slowed to 2.3%, boosting investor confidence. The S&P 500 erased its 2025 losses, led by tech and AI stocks.

Saudi Arabia, Qatar, and the UAE pledged over \$3 trillion in US investments across sectors like AI, defence, and energy, signalling strong international confidence.

UK

Prime Minister Keir Starmer advanced negotiations on a new EU bilateral relationship, aiming to reduce food trade barriers and integrate emissions trading schemes, while facing domestic political resistance.

The UK economy grew by 0.7% in Q1 2025, surpassing forecasts and indicating resilience amid global uncertainties.

A proposed mutual recognition of conformity assessment (MRCA) agreement with the EU could increase UK exports by up to 27.9% in sectors like industrial machinery and electronics.

The Great British Energy Act 2025 was enacted, creating a publicly owned energy firm to accelerate clean energy development and support net-zero commitments.

Europe

Portugal's ruling center-right coalition won a snap poll, early results showed. Bucharest's centrist mayor won Romania's presidential runoff, defeating a Trump loyalist. Poland's presidential election will go to a June 1 runoff between a Donald Tusk ally and a nationalist.

The European Central Bank may need to cut interest rates to "slightly below" 2% as global trade tensions pose downside risks to inflation and growth, Belgium's central bank governor, Pierre Wunsch, told the Financial Times in an interview published on Saturday.

European leaders are to speak to Donald Trump on Monday to help the US president "prepare" for his planned call with Vladimir Putin in attempt to push forward Ukraine peace talks. Russia is preparing a list of conditions for a possible ceasefire and will exchange it with Kyiv privately.

Asia/ROW

Despite a swift tariff rollback agreement with China, the US has yet to provide similar relief to allies like Japan and the EU, who are still negotiating exemptions from recent tariffs.

Some Chinese companies from mainland China or Hong Kong are planning IPOs, dual listings, or share placements in Singapore in the next 12 to 18 months as Chinese firms look to expand in Southeast Asia amid global trade tensions.

Japan recorded its highest-ever monthly foreign inflows into equities and long-term bonds in April, as global investors sought diversification amidst US tariff shocks.

Gold prices, a traditional safe-haven asset, declined as trade tensions eased.



Performance

Asset Class/Region	Currency				
		Week ending 16 May 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	5.3%	7.1%	1.7%	13.5%
United Kingdom	GBP	1.7%	2.3%	8.0%	6.4%
Continental Europe	EUR	2.3%	4.8%	10.9%	7.1%
Japan	JPY	0.3%	2.7%	-0.5%	2.6%
Asia Pacific (ex Japan)	USD	3.2%	5.8%	8.7%	10.2%
Australia	AUD	1.6%	3.0%	3.7%	9.5%
Global	USD	4.2%	5.8%	4.9%	12.9%
Emerging markets equities					
Emerging Europe	USD	0.7%	4.7%	26.1%	12.8%
Emerging Asia	USD	3.6%	6.3%	8.6%	10.2%
Emerging Latin America	USD	1.4%	3.2%	24.3%	-4.2%
BRICs	USD	3.0%	3.7%	11.7%	12.2%
China	USD	2.2%	4.9%	15.5%	20.8%
MENA countries	USD	1.0%	0.2%	0.7%	4.9%
South Africa	USD	0.8%	3.0%	21.6%	24.7%
India	USD	4.2%	1.7%	6.2%	10.1%
Global emerging markets	USD	3.1%	5.5%	10.0%	9.4%
Bonds					
US Treasuries	USD	-0.4%	-1.5%	2.0%	4.0%
US Treasuries (inflation protected)	USD	-0.2%	-1.0%	3.1%	5.1%
US Corporate (investment grade)	USD	0.2%	-0.6%	1.7%	4.8%
US High Yield	USD	0.8%	1.4%	2.4%	8.7%
UK Gilts	GBP	-0.5%	-1.2%	1.0%	-0.4%
UK Corporate (investment grade)	GBP	0.0%	-0.2%	1.4%	3.1%
Euro Government Bonds	EUR	0.0%	-0.5%	0.1%	2.9%
Euro Corporate (investment grade)	EUR	0.1%	0.0%	1.1%	5.4%
Euro High Yield	EUR	0.4%	0.9%	1.8%	7.9%
Global Government Bonds	USD	-0.5%	-1.6%	4.4%	4.7%
Global Bonds	USD	-0.5%	-1.5%	4.1%	4.8%
Global Convertible Bonds	USD	1.8%	3.6%	6.8%	14.3%
Emerging Market Bonds	USD	0.7%	0.5%	2.6%	6.6%



▲ Performance

Asset Class/Region	Currency				
		Week ending 16 May 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	1.6%	2.8%	0.9%	10.5%
Australian Property Securities	AUD	-0.6%	3.3%	1.9%	2.4%
Asia Property Securities	USD	-1.2%	0.2%	11.1%	3.4%
Global Property Securities	USD	0.8%	1.9%	4.7%	8.8%
Currencies					
Euro	USD	-1.0%	-1.9%	7.7%	2.5%
UK Pound Sterling	USD	-0.3%	-0.6%	6.0%	4.7%
Japanese Yen	USD	-0.5%	-2.2%	7.8%	6.4%
Australian Dollar	USD	-0.2%	0.1%	3.5%	-4.2%
South African Rand	USD	1.0%	2.9%	4.5%	0.6%
Swiss Franc	USD	-0.9%	-2.0%	8.2%	7.8%
Chinese Yuan	USD	0.4%	0.8%	1.2%	0.2%
Commodities & Alternatives					
Commodities	USD	0.0%	2.3%	-0.7%	-3.2%
Agricultural Commodities	USD	0.1%	-0.9%	-1.8%	-3.3%
Oil	USD	2.3%	3.6%	-12.4%	-21.4%
Gold	USD	-3.6%	-3.2%	22.1%	34.5%



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