



Weekly Market Update

Markets navigated a fragile equilibrium last week as central banks signalled easing, geopolitical and trade tensions escalated.

US

The S&P 500 ended May with a 6% gain, reflecting investor optimism despite trade policy uncertainty.

JPMorgan's Jamie Dimon warned US bond market will 'crack' under pressure from rising debt, citing US fiscal mess.

The US economy shrank at a 0.2% annual pace from January through March, the first drop in three years, as President Donald Trump's trade wars disrupted business, the government said Thursday was a slight upgrade of its initial estimate.

President Donald Trump announced the US will double its current tariff rate on steel and aluminium imports from 25% to 50%, starting on Wednesday.

UK

The IMF has upgraded its forecast for the UK economy this year after strong growth in recent months. The Fund now forecasts UK GDP will increase by 1.2% this year, up from a forecast of 1.1% last month.

Bank of England policymaker Alan Taylor plays down inflation risk in call for rate cuts stating price rises are being driven by one-off factors as he stressed hit from Trump trade war.

The UK's debt servicing costs are projected to reach £105 billion annually. With public sector debt at 100% of GDP and expected to rise, there are growing concerns about the affordability of public commitments like pensions and the NHS.

Retail sentiment declined, with food inflation rising for the fourth consecutive month, impacting consumer confidence.

Europe

EU markets reacted positively to the US delaying tariffs, with Germany's DAX hitting a record peak.

The ECB is widely expected to lower the deposit rate by another 0.25% to 2% on 5 of June, marking its eighth interest rate cut amid a brightening economic outlook, despite ongoing uncertainty triggered by US trade tariffs.

A Eurobarometer poll revealed that 52% of respondents across the 27 member states express confidence in the EU, the highest since 2007.

Poland's Karol Nawrocki, a nationalist candidate backed by Trump, won Poland's presidential election with 50.9%, in a blow to the country's pro-EU government.

Asia/ROW

China accuses US of 'seriously violating' trade truce with Beijing promising to take strong measures to defend its interests.

Weak demand for Japan's 40-year government bonds, with yields rising to their highest levels in nearly a year, signalling investor caution, in particular regarding the YEN/USD carry trade.

Japan proposed to purchase approximately ¥1 trillion (\$6.94 billion) worth of US semiconductor products as part of tariff negotiations

OPEC+ increased production less than expected to 411,000 barrels a day in July matched expectations, but was less than some had feared, and tensions with Ukraine and Iran reduced the chance of more supply entering the market.



Performance

Asset Class/Region	Currency				
		Week ending 30 May 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	1.9%	6.3%	0.9%	14.0%
United Kingdom	GBP	0.7%	3.4%	9.2%	10.3%
Continental Europe	EUR	0.8%	4.7%	10.8%	8.0%
Japan	JPY	2.5%	5.1%	1.8%	5.4%
Asia Pacific (ex Japan)	USD	-0.8%	5.1%	8.0%	13.3%
Australia	AUD	0.9%	4.2%	5.0%	14.5%
Global	USD	1.6%	5.9%	4.9%	14.6%
Emerging markets equities					
Emerging Europe	USD	1.1%	4.8%	26.1%	14.9%
Emerging Asia	USD	-1.2%	5.0%	7.2%	12.5%
Emerging Latin America	USD	-1.4%	1.6%	22.4%	-0.5%
BRICs	USD	-1.9%	1.9%	9.8%	14.0%
China	USD	-2.7%	2.7%	13.1%	24.7%
MENA countries	USD	-1.2%	-2.0%	-1.5%	7.3%
South Africa	USD	-0.5%	5.0%	23.9%	35.1%
India	USD	-0.7%	0.8%	5.2%	8.4%
Global emerging markets	USD	-1.1%	4.3%	8.7%	12.1%
Bonds					
US Treasuries	USD	0.8%	-1.1%	2.5%	5.3%
US Treasuries (inflation protected)	USD	0.8%	-0.6%	3.6%	5.9%
US Corporate (investment grade)	USD	1.0%	0.0%	2.3%	6.2%
US High Yield	USD	0.7%	1.7%	2.6%	9.5%
UK Gilts	GBP	0.6%	-1.2%	1.0%	2.0%
UK Corporate (investment grade)	GBP	0.5%	-0.2%	1.5%	4.9%
Euro Government Bonds	EUR	0.6%	0.1%	0.7%	5.0%
Euro Corporate (investment grade)	EUR	0.4%	0.5%	1.6%	6.6%
Euro High Yield	EUR	0.5%	1.3%	2.3%	8.3%
Global Government Bonds	USD	0.4%	-0.6%	5.5%	7.0%
Global Bonds	USD	0.6%	-0.5%	5.2%	7.1%
Global Convertible Bonds	USD	0.5%	3.6%	6.7%	15.0%
Emerging Market Bonds	USD	0.7%	0.7%	2.9%	8.0%



▲ Performance

Asset Class/Region	Currency				
		Week ending 30 May 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	3.0%	2.0%	0.1%	13.4%
Australian Property Securities	AUD	0.6%	5.0%	3.5%	8.3%
Asia Property Securities	USD	0.7%	1.3%	12.4%	11.1%
Global Property Securities	USD	2.2%	2.4%	5.3%	13.4%
Currencies					
Euro	USD	-0.1%	-0.1%	9.7%	4.7%
UK Pound Sterling	USD	-0.5%	0.9%	7.5%	5.7%
Japanese Yen	USD	-0.9%	-0.9%	9.3%	8.9%
Australian Dollar	USD	-1.0%	0.5%	3.9%	-3.3%
South African Rand	USD	-1.0%	3.3%	4.9%	3.6%
Swiss Franc	USD	-0.2%	0.0%	10.4%	9.9%
Chinese Yuan	USD	-0.3%	1.0%	1.4%	0.5%
Commodities & Alternatives					
Commodities	USD	-2.2%	1.0%	-2.0%	-4.8%
Agricultural Commodities	USD	-1.7%	-1.2%	-2.1%	-6.0%
Oil	USD	-1.4%	1.2%	-14.4%	-21.9%
Gold	USD	-2.0%	-0.6%	25.3%	40.1%



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