



Weekly Investment Update

14th March 2025

News Headlines

Tariff Tensions – This week saw trade tensions escalate, with President Trump being the main driver. Earlier in the week, the US imposed 25% tariffs on steel and aluminium from global trade partners, with no exemptions granted, which triggered swift retaliation. Canada responded with tariffs on C\$30 billion of US products, whilst the EU proposed counter measures on €26 billion of US goods, set for April. Trump then threatened a 200% tariff on EU wines and champagnes in response to the EU's 50% tariff on US whisky, branding the EU a “hostile taxing authority.” He also criticised VAT as tariff-like, hinting at broader trade escalations, with reciprocal tariffs planned for April. Trump also briefly increased Canadian steel tariffs to 50% before scaling them back after Canada suspended its electricity export tariff.

Ukraine/Russia Ceasefire Talks – This week, US/Ukraine talks in Saudi Arabia increased hopes for a 30-day ceasefire with Russia, as Ukraine accepted a US proposal. This prompted the US to lift its pause on military aid to Ukraine and intelligence sharing. The deal, awaiting final agreement, seeks to pause fighting to enable further peace negotiations. Russian President Vladimir Putin has expressed doubts, insisting it must lead to “long-term peace” and address the conflict’s “root causes,” particularly NATO’s eastward expansion and recognition of its claims to Crimea and four Ukrainian provinces. Putin also fears a ceasefire could allow Ukraine to rearm.

US Inflation – The latest US Consumer Price Index (CPI) data for February was softer than expected, and provided some relief amid tariff-driven uncertainties. Headline CPI rose by 0.2%, down from January’s 0.5%, and below expectations of 0.3%, bringing the year-on-year rate to 2.8%. Core CPI, excluding volatile food and energy, also moderated to 0.2%, with its annual rate easing to 3.1%.

Market Summary

Global Equities – Global equity markets endured a turbulent week, marked by sharp declines driven by escalating US trade tensions and tariff threats. In the US, the S&P 500 fell (-4.28%), entering technical correction territory with a -10.13% drop in price from its February peak, as 25% tariffs on global steel and aluminium, alongside threats of further tariffs on EU goods, affected sentiment. In Europe, the STOXX 600 slipped (-2.25%), reflecting global risk-off sentiment, while the UK’s FTSE 100, despite Ukraine ceasefire hopes, ended down (-1.51%) due to tariff worries. In Asia, Hong Kong’s Hang Seng index fell (-3.11%), pressured by trade concerns. However, Japan’s Nikkei 225 index remained relatively flat (-0.26%).

Commodities – This week, commodities displayed mixed performance amid global trade tensions. Gold prices surged versus the US dollar, reaching a new record high, driven by safe-haven demand as US tariffs escalated. In contrast, oil prices saw small declines this week due to concerns over a US recession and oversupply fears still persisting.

Fixed Income – US 10-year Treasury yields dipped earlier in the week, reflecting safe-haven flows amid equity sell-offs, although yields then increased mid-week following strong JOLTS data (Job Openings and Labour Turnover Survey). This resulted in a small decrease in yields over the week. Meanwhile, credit spreads for high-yield bonds in the US widened to the highest level since September, signalling increased risk aversion.

Source: Bloomberg Terminal – Global Equities. Data reflects total returns in local currency as of market close on Thursday 13th March, for the following indices: S&P 500 (USD), STOXX 600 (EUR), FTSE 100 (GBP), Hang Seng (HKD), Nikkei 225 (JPY)

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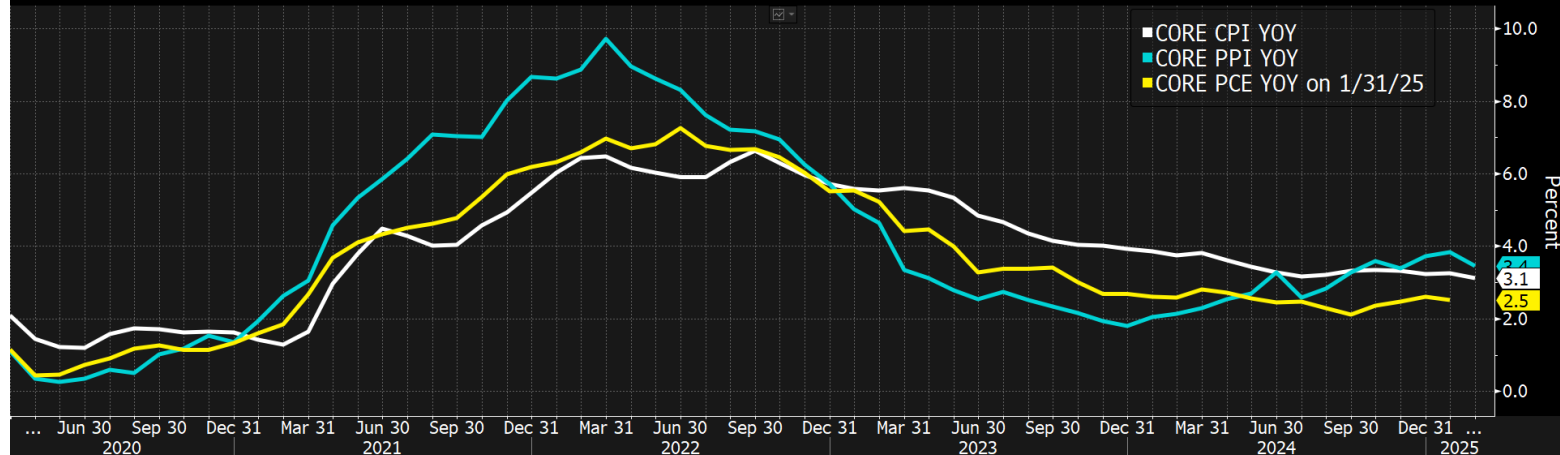
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Chart of the Week

US February CPI Cools

Market looks for confirmation in today's PPI print



Source: Bloomberg – US February CPI Cools

Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
	- BoJ Interest Rate Decision	- Eurozone CPI (YoY) - Federal Reserve Interest Rate Decision	- BoE Interest Rate Decision - US Initial Jobless Claims	

Market Performance – 14/03/2025

Global Equity Market Indices	2025 YTD %*	2024 %*	2023 %*	2022 %*	2021 %*	2020 %*
FTSE 100	5.45%	8.89%	7.68%	4.57%	18.40%	-11.44%
S&P 500	-5.88%	25.52%	26.26%	-18.13%	28.68%	18.39%
STOXX 600	6.90%	9.03%	16.63%	-9.88%	25.82%	-1.44%
Nikkei 225	-7.06%	21.27%	31.01%	-7.35%	6.66%	18.28%
Hang Seng	17.81%	22.79%	-10.46%	-11.48%	-12.64%	-1.00%
Fixed Income	Yield %					
UK 10 Year Gilt	4.67%					
US 10 Year Treasury	4.28%					
Commodities	2025 YTD %**	2024 %**	2023 %**	2022 %**	2021 %**	2020 %**
Gold	14.01%	26.35%	13.10%	-0.28%	-3.64%	25.12%
Currency						
GBP/USD	1.30 (14/03/2025)					
GBP/EUR	1.19 (14/03/2025)					

Source: FE Analytics/ Bloomberg

*Total Return/Local currency **Spot Return USD

Past Performance is no guide to future performance and the value of investment and income from them can fall as well as rise

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