



Weekly Investment Update

28th March 2025

News Headlines

US Auto Tariff – On Wednesday, US President Donald Trump announced a 25% tariff on all imported cars and car parts, effective from 3rd April. The measure seeks to strengthen domestic manufacturing and boost US industry, with Mexico, Japan, South Korea, Canada and Germany likely being affected most. Canada indicated it may respond with retaliatory trade actions, raising the prospect of heightened tensions. The policy is expected to increase vehicle prices in the US and could affect international markets, including the UK, due to disruptions in global supply chains. Financial markets reacted with volatility, as equities declined in the US and Europe amid uncertainty. The tariff's broader economic impact remains unclear, with higher consumer costs a likely outcome. The United Auto Workers union welcomed the decision, mentioning potential job growth, though it raised concerns over possible reductions in social security and labour protections.

UK Spring Statement – UK Chancellor Rachel Reeves announced a £14 billion package to stabilise public finances on Wednesday, responding to a halved growth forecast of 1% for 2025, down from 2%, as reported by the Office for Budget Responsibility (OBR). The measures include £8.4 billion in welfare and departmental spending reductions, £3.4 billion from planning reforms, and £2.2 billion through enhanced tax collection. Defence spending will also increase to 2.5% of GDP (Gross Domestic Product) by 2027, with an extra £2.2 billion next year and planning reforms aim to deliver 1.3 million homes over five years. Reeves avoided further tax rises after October's £40 billion increase, but is aiming to meet her fiscal rules amid rising borrowing costs.

Market Summary

Global Equities – Global equities experienced a volatile week, driven largely by tariff uncertainties. In the US, the S&P 500 index rallied early in the week, buoyed by targeted tariff hopes and strong PMI (Purchasing Managers Index) data, however, fears following President Trump's announcement of auto tariffs curbed gains for the week (+0.17%). European equities slipped, with the STOXX 600 index affected by auto tariff impacts, despite German fiscal optimism (-0.77%). However, UK stocks showed resilience, with the FTSE 100 index ending the week in positive territory (+0.37%). Hong Kong's Hang Seng index fell (-1.11%) reflecting tariff escalation fears and weaker technology performance. Japan's Nikkei 225 also dropped (-0.72%) pressured by auto tariffs and stronger than expected core inflation data in Tokyo.

Commodities – Commodity prices generally increased this week, with the Bloomberg Commodity index posting a gain of 0.21%. Both Brent and WTI crude oil prices rose, lifted by US tariff related supply concerns and geopolitical tensions. Gold prices also hit a new peak against the US dollar, remaining well above the \$3,000 per ounce mark, driven by tariff uncertainty, stagflation fears and safe-haven demand.

Fixed Income – Despite a late dip, the US 10-year Treasury yield rose overall this week, driven by inflation concerns regarding US tariff announcements. The UK 10-year Gilt yield also pushed higher to its highest level since mid-January, despite initially falling following the Government's Spring Statement on Wednesday and lower than expected inflation data.

Source: Bloomberg Terminal – Global Equities. Data reflects total returns in local currency as of market close on Thursday 27th 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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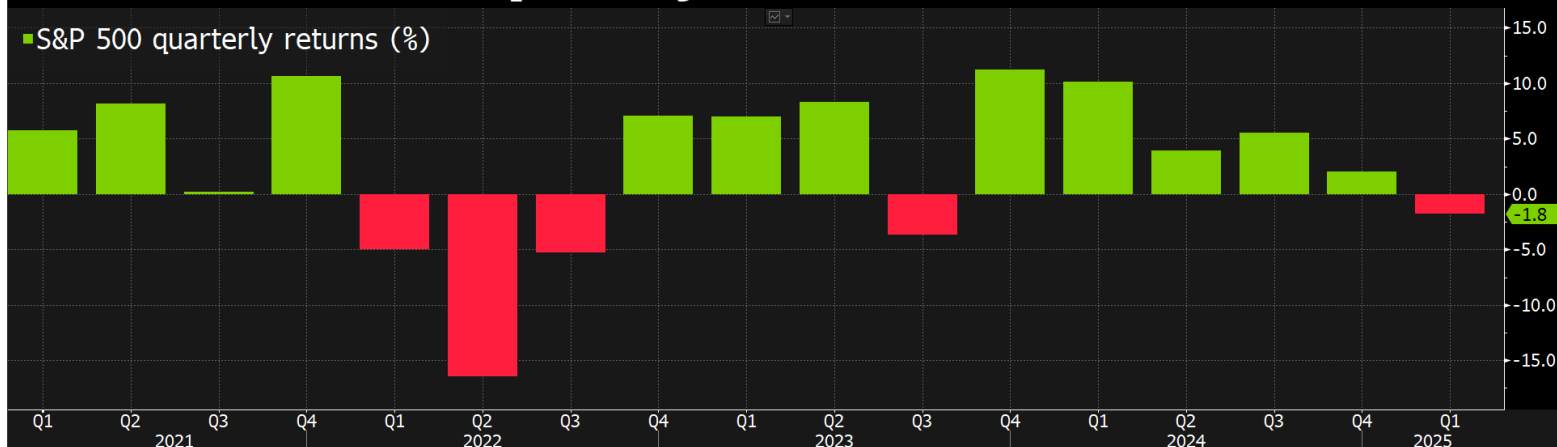


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Chart of the Week

Stock Rally Fizzles S&P 500 set for 1st quarterly loss since 2023



Source: Bloomberg – Stock Rally Fizzles

Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
- German CPI (MoM) - RBA Interest Rate Decision	- Eurozone CPI (YoY) - US JOLTS Job Openings		- US Initial Jobless Claims	- US Unemployment Rate - Federal Reserve Chair Jerome Powell Speech

Market Performance – 28/03/2025

Global Equity Market Indices	2025 YTD %*	2024 %*	2023 %*	2022 %*	2021 %*	2020 %*
FTSE 100	7.05%	8.89%	7.68%	4.57%	18.40%	-11.44%
S&P 500	-3.22%	25.52%	26.26%	-18.13%	28.68%	18.39%
STOXX 600	7.84%	9.03%	16.63%	-9.88%	25.82%	-1.44%
Nikkei 225	-6.17%	21.27%	31.01%	-7.35%	6.66%	18.28%
Hang Seng	17.63%	22.79%	-10.46%	-11.48%	-12.64%	-1.00%
Fixed Income	Yield %					
UK 10 Year Gilt	4.75%					
US 10 Year Treasury	4.36%					
Commodities	2025 YTD %**	2024 %**	2023 %**	2022 %**	2021 %**	2020 %**
Gold	17.46%	26.35%	13.10%	-0.28%	-3.64%	25.12%
Currency						
GBP/USD	1.29 (28/03/2025)					
GBP/EUR	1.20 (28/03/2025)					

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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