



# Weekly Investment Update

25<sup>th</sup> April 2025

## News Headlines

**IMF Growth Forecasts** – The International Monetary Fund (IMF) has cut 2025 growth forecasts for major economies, warning of a “major negative shock” from US President Trump’s proposed tariffs, revising global growth to 2.8% for 2025 (-0.5%) and 3.0% for 2026 (-0.3%). The US growth forecast was cut sharply by 0.9% to 1.8%, reflecting trade policy impacts. The Euro Area’s projection also dipped to 0.8% and the UK’s outlook fell by 0.5% to 1.1%. Spain was a notable outlier, with an upward revision to 2.5% as a result of strong data. In Asia, both China and Japan’s forecasts were also revised downwards. Although a global recession is not expected, the IMF cautioned that escalating trade barriers could disrupt supply chains and raise costs.

**Tariff Developments** – This week, US-China trade tensions showed signs of easing, boosting global markets. President Trump hinted at reducing tariffs on Chinese goods, while Treasury Secretary Scott Bessent called current levels “unsustainable.” Although China has denied active talks and has not commented publicly, it has reportedly eased tariffs on US semiconductors and exempted some US imports, suggesting cautious de-escalation. Progress in US trade talks with South Korea, India, and Japan further lifted investor sentiment. However, China insists on US tariff cancellations in order for negotiations to take place.

## Market Summary

**Global Equities** – Global equity markets experienced a volatile but broadly positive week, driven by US tariff policy shifts and central bank signals. In the US, the S&P 500 rebounded strongly (+3.84%), recovering from Monday’s sell-off following President Trump’s comments on reducing China tariffs and progress in talks with Japan and India, which boosted investor sentiment. Europe’s STOXX 600 also saw solid advances (+2.68%), supported by an unexpected improvement in Germany’s business sentiment and ECB hints at future rate cuts, despite earlier holiday closures. The UK’s FTSE 100 index mirrored Europe, ending the week higher (+1.67%), and experienced its best winning streak in 2 years, with seven days of consecutive gains. In Asia, both Chinese and Japanese equities rose, with Hong Kong’s Hang Seng index (+2.49%) and Japan’s Nikkei 225 index (1.92%) posting solid gains for the week, buoyed by tariff de-escalation hopes and Japan’s government measures to counter tariff impacts, enhancing investor confidence.

**Commodities** – Commodities faced volatility this week amid shifting tariff expectations. Brent crude oil prices fell over the week, pressured by US-China trade tensions and OPEC+ production increase plans, despite a brief tariff-related rally. Gold prices versus the US dollar reached a new all-time high at the start of the week, before retreating as investor optimism reduced safe-haven demand.

**Fixed Income** – Sovereign bond yields generally declined this week (meaning prices rose). The US 10 year Treasury yield dropped, reflecting tariff relief and dovish Fed comments. However, the yield curve flattened as the 2 year yield rose. European bond yields eased, supported by ECB rate cut signals. UK gilts also saw yields dip slightly lower this week, driven by dovish signals from the Bank of England governor, hinting at earlier interest rate cuts.

*Source: Bloomberg Terminal – Global Equities. Data reflects total returns in local currency as of market close on Thursday 24<sup>th</sup> April, for the following indices: S&P 500 (USD), STOXX 600 (EUR), FTSE 100 (GBP), Hang Seng (HKD), Nikkei 225 (JPY)*

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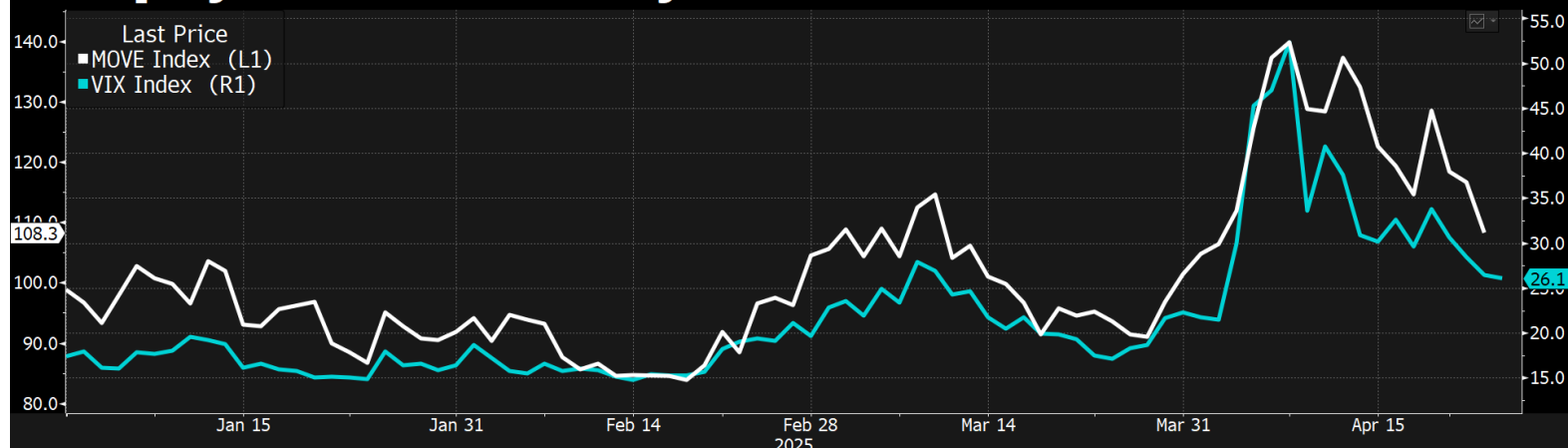


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## Chart of the Week

# Tariff Nerves Settle US equity and bond volatility eases



Source: Bloomberg – Tariff Nerves Settle

## Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
	- US JOLTS Job Openings	- German GDP (QoQ) - German CPI (MoM) - US GDP (QoQ)	- BoJ Interest Rate Decision	- Eurozone CPI (YoY)

## Market Performance – 25/04/2025

Global Equity Market Indices	2025 YTD %*	2024 %*	2023 %*	2022 %*	2021 %*	2020 %*
FTSE 100	4.32%	8.89%	7.68%	4.57%	18.40%	-11.44%
S&P 500	-6.38%	25.52%	26.26%	-18.13%	28.68%	18.39%
STOXX 600	3.50%	9.03%	16.63%	-9.88%	25.82%	-1.44%
Nikkei 225	-9.70%	21.27%	31.01%	-7.35%	6.66%	18.28%
Hang Seng	10.18%	22.79%	-10.46%	-11.48%	-12.64%	-1.00%
Fixed Income	Yield %					
UK 10 Year Gilt	4.51%					
US 10 Year Treasury	4.32%					
Commodities	2025 YTD %**	2024 %**	2023 %**	2022 %**	2021 %**	2020 %**
Gold	25.77%	26.35%	13.10%	-0.28%	-3.64%	25.12%
Currency						
GBP/USD	1.33 (25/04/2025)					
GBP/EUR	1.17 (25/04/2025)					

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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