

Weekly Market Update

The anticipation of President-elect Donald Trump's policy implementations, particularly regarding tariffs and trade relations, has introduced uncertainty and potential volatility in global markets, prompting regions worldwide to prepare for economic adjustments

US

President-elect Donald Trump signalled plans to designate cryptocurrency as a national priority upon taking office, indicating a potential shift in regulatory focus.

The better than expected US Producer Price Index (PPI) data released on January 14 provided insights that US inflation rose below expectations as producer prices edged up 0.1%.

Major financial institutions, including JPMorgan, Goldman Sachs, and Citigroup, reported good earnings on January 15, demonstrating the health of the financial sector.

The US Federal Budget Balance was released on January 13 and was \$200 billion more than the deficit recorded during the same period in the previous fiscal year.

UK

The UK's FTSE 100 share index reached a record high, driven by a weak pound and positive economic data from China, boosting investor confidence.

UK Chancellor Rachel Reeves returned from China with deals worth approximately £600 million, aiming to strengthen economic ties between the two nations.

Data released on January 15 showed the UK Consumer Price Index (CPI) rose by 2.5% in the 12 months to December 2024, down from 2.6% in the 12 months to November 2024.

UK GDP figures announced on January 16 showed that the U.K. economy grew at a lackluster pace of 0.1% in November, reflecting the country's economic performance.

Europe

The European Union faced potential trade tensions as President-elect Donald Trump threatened to impose tariffs, prompting the EU to consider retaliatory measures to protect its industries.

Eurozone Consumer Price Index (CPI) data was released on January 17 and indicating rising annual inflation of 2.4% in December 2024, up from 2.2% in November 2024.

Consumer prices in Germany rose by 2.2% in 2024 on an annual average basis compared with 2023, according to CPI figures announced on January 16.

The Eurozone's trade surplus of €14.3 bn in trade with the rest of the world highlighted its export competitiveness, especially in the automotive and industrial sectors.

Asia/ROW

China achieved its 2024 GDP growth target of 5%, buoyed by aggressive government stimulus, though concerns over a looming deflationary spiral persist.

China's retail sales rose 3.7% year-on-year in December, while industrial output expanded by 6.2%, both faster than expected.

Economists criticized Japan's ultra-loose monetary policy, arguing that it undermines fiscal discipline and raises concerns over long-term economic stability.



Performance

Asset Class/Region	Currency				
		Week ending 17 Jan 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	2.9%	2.0%	2.0%	27.8%
United Kingdom	GBP	3.0%	4.1%	4.1%	18.0%
Continental Europe	EUR	2.4%	3.7%	3.7%	13.3%
Japan	JPY	-1.3%	-3.8%	-3.8%	9.9%
Asia Pacific (ex Japan)	USD	1.0%	-0.7%	-0.7%	17.8%
Australia	AUD	0.2%	1.9%	1.9%	16.5%
Global	USD	2.7%	1.9%	1.9%	22.8%
Emerging markets equities					
Emerging Europe	USD	2.3%	4.4%	4.4%	12.0%
Emerging Asia	USD	1.0%	-1.2%	-1.2%	19.1%
Emerging Latin America	USD	3.2%	3.8%	3.8%	-18.8%
BRICs	USD	1.6%	-2.7%	-2.7%	13.6%
China	USD	3.3%	-3.1%	-3.1%	28.4%
MENA countries	USD	0.8%	1.8%	1.8%	2.4%
South Africa	USD	3.8%	2.5%	2.5%	24.0%
India	USD	-1.4%	-2.9%	-2.9%	4.6%
Global emerging markets	USD	1.3%	-0.4%	-0.4%	14.4%
Bonds					
US Treasuries	USD	0.9%	0.0%	0.0%	1.6%
US Treasuries (inflation protected)	USD	0.9%	0.4%	0.4%	2.9%
US Corporate (investment grade)	USD	1.0%	0.0%	0.0%	3.7%
US High Yield	USD	0.9%	0.9%	0.9%	10.0%
UK Gilts	GBP	1.6%	-0.2%	-0.2%	0.0%
UK Corporate (investment grade)	GBP	1.4%	0.0%	0.0%	4.9%
Euro Government Bonds	EUR	0.7%	-0.8%	-0.8%	2.6%
Euro Corporate (investment grade)	EUR	0.4%	-0.3%	-0.3%	5.6%
Euro High Yield	EUR	0.3%	-0.1%	-0.1%	8.6%
Global Government Bonds	USD	0.8%	-0.4%	-0.4%	-0.8%
Global Bonds	USD	1.0%	-0.5%	-0.5%	0.3%
Global Convertible Bonds	USD	1.6%	0.9%	0.9%	10.3%
Emerging Market Bonds	USD	0.8%	0.1%	0.1%	7.8%

Performance

Asset Class/Region	Currency				
		Week ending 17 Jan 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	3.7%	-0.1%	-0.1%	10.6%
Australian Property Securities	AUD	1.7%	4.6%	4.6%	23.3%
Asia Property Securities	USD	1.3%	-1.7%	-1.7%	-4.3%
Global Property Securities	USD	3.0%	-0.4%	-0.4%	7.8%
Currencies					
Euro	USD	0.4%	-0.7%	-0.7%	-5.4%
UK Pound Sterling	USD	-0.4%	-2.8%	-2.8%	-4.0%
Japanese Yen	USD	0.9%	0.7%	0.7%	-5.1%
Australian Dollar	USD	0.8%	0.3%	0.3%	-5.1%
South African Rand	USD	2.0%	0.9%	0.9%	1.8%
Swiss Franc	USD	0.2%	-0.8%	-0.8%	-5.4%
Chinese Yuan	USD	0.1%	-0.4%	-0.4%	-1.8%
Commodities & Alternatives					
Commodities	USD	1.3%	5.2%	5.2%	13.2%
Agricultural Commodities	USD	0.7%	1.4%	1.4%	6.8%
Oil	USD	1.3%	8.2%	8.2%	3.7%
Gold	USD	0.5%	3.0%	3.0%	34.7%

Global Matters Weekly

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