

Weekly Market Update

The week of March 3 to March 7, 2025, was marked by escalating global trade tensions, particularly between the US and its major trading partners, leading to significant market volatility, shifts in fiscal policies, and adjustments in economic forecasts across multiple regions.

US

The S&P 500 experienced its sharpest weekly decline since before the 2024 election, dropping 3.1% as it swung around its 200-day moving average. Consumer confidence continued to take a significant hit amid mounting trade tensions and tariff uncertainty.

US Treasury yields rose modestly, fuelled by Germany's proposal of defence spending that sparked a global bond sell-off.

The US economy added 151,000 jobs in February, leading to a slight increase in the unemployment rate to 4.1%, consensus was 4%.

Federal Reserve Chair Jerome Powell stated that the US economy remains in a good place, despite trade policy uncertainties.

UK

The UK hosted Commonwealth Day at Westminster Abbey, reflecting on global trade and cooperation.

Upcoming UK GDP estimates are anticipated, with analysts closely monitoring potential impacts from global trade tensions.

The UK Halifax House Price Index came in at 2.9% year-on-year vs 3.1% expected. House prices fell 0.1% in February as the market faces stamp duty hikes being introduced by Chancellor Rachel Reeves next month.

UK markets showed resilience despite global trade uncertainties, with investors focusing on domestic economic data, which saw UK Manufacturing PMI for February at 46.9 vs 46.4 expected. However, UK Construction PMI reading of 44.6 was light of the 49.5 expectation.

Europe

Germany announced plans to abandon its strict fiscal discipline, introducing a significant spending package aimed at boosting infrastructure and defence.

German 10-year bund yields surged to 2.9%, marking the highest jump in nearly 30 years, influencing bond yields across Europe.

European stocks, particularly in the defence sector, rose following Germany's spending announcement and commitments from other European leaders to increase defence budgets.

The euro experienced its largest weekly rise against the US dollar since 2009, reflecting renewed investor confidence in Europe.

Asia/ROW

China retaliated against US tariffs and announced tariffs of up to 15% on US agricultural products, including cotton, chicken, corn, and soybeans.

Chinese Premier Li Qiang set a GDP growth target of around 5% for 2025 and raised the fiscal deficit to 4% of GDP, signalling a focus on consumer-driven growth.

Japan's 10-year government bond yields reached a 16-year high at 1.52%, influenced by global fiscal policy changes and domestic inflation concerns.

Oil prices remained stable, while gold prices held steady as investors weighed the impact of tariffs on global supply chains.



Performance

Asset Class/Region	Currency				
		Week ending 07 Mar 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	-3.1%	-3.1%	-1.7%	12.9%
United Kingdom	GBP	-1.0%	-1.0%	7.2%	16.7%
Continental Europe	EUR	-0.2%	-0.2%	10.6%	10.9%
Japan	JPY	1.0%	1.0%	-2.7%	2.0%
Asia Pacific (ex Japan)	USD	2.5%	2.5%	4.1%	13.7%
Australia	AUD	-2.3%	-2.3%	-1.7%	6.0%
Global	USD	-1.7%	-1.7%	1.1%	11.8%
Emerging markets equities					
Emerging Europe	USD	7.5%	7.5%	19.9%	20.3%
Emerging Asia	USD	3.0%	3.0%	4.4%	15.1%
Emerging Latin America	USD	2.8%	2.8%	10.5%	-14.5%
BRICs	USD	5.2%	5.2%	8.6%	20.2%
China	USD	6.6%	6.6%	20.2%	50.6%
MENA countries	USD	-1.5%	-1.5%	0.8%	0.1%
South Africa	USD	6.0%	6.0%	12.3%	29.3%
India	USD	2.3%	2.3%	-6.1%	-3.7%
Global emerging markets	USD	2.9%	2.9%	5.2%	12.2%
Bonds					
US Treasuries	USD	-0.6%	-0.6%	2.2%	3.2%
US Treasuries (inflation protected)	USD	-0.9%	-0.9%	2.7%	4.6%
US Corporate (investment grade)	USD	-0.7%	-0.7%	2.0%	5.0%
US High Yield	USD	-0.3%	-0.3%	1.7%	9.1%
UK Gilts	GBP	-1.0%	-1.0%	0.6%	-0.7%
UK Corporate (investment grade)	GBP	-0.7%	-0.7%	0.8%	3.7%
Euro Government Bonds	EUR	-2.6%	-2.6%	-2.1%	0.3%
Euro Corporate (investment grade)	EUR	-1.3%	-1.3%	-0.2%	4.7%
Euro High Yield	EUR	-0.5%	-0.5%	1.1%	8.3%
Global Government Bonds	USD	0.5%	0.5%	2.6%	1.2%
Global Bonds	USD	0.4%	0.4%	2.5%	2.3%
Global Convertible Bonds	USD	0.0%	0.0%	3.1%	9.6%
Emerging Market Bonds	USD	-0.2%	-0.2%	2.5%	7.8%

Performance

Asset Class/Region	Currency				
		Week ending 07 Mar 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	-2.1%	-2.1%	2.5%	11.4%
Australian Property Securities	AUD	-2.0%	-2.0%	-4.4%	0.7%
Asia Property Securities	USD	2.5%	2.5%	6.2%	3.4%
Global Property Securities	USD	-0.9%	-0.9%	2.4%	8.7%
Currencies					
Euro	USD	4.3%	4.3%	4.8%	-0.9%
UK Pound Sterling	USD	2.5%	2.5%	3.1%	0.9%
Japanese Yen	USD	2.0%	2.0%	6.7%	0.4%
Australian Dollar	USD	1.4%	1.4%	1.7%	-4.9%
South African Rand	USD	2.0%	2.0%	3.3%	2.3%
Swiss Franc	USD	2.6%	2.6%	3.3%	-0.1%
Chinese Yuan	USD	0.5%	0.5%	0.8%	-0.7%
Commodities & Alternatives					
Commodities	USD	0.5%	0.5%	2.9%	6.7%
Agricultural Commodities	USD	-0.1%	-0.1%	-0.3%	1.1%
Oil	USD	-3.9%	-3.9%	-5.7%	-15.2%
Gold	USD	1.8%	1.8%	10.8%	34.8%



Global Matters Weekly

10 March 2025

For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited
研富投資服務有限公司
9th Floor, Centre Mark II
305-313 Queen's Road Central
Sheung Wan, Hong Kong

Tel +852 2827 1199
Fax +852 2827 0270
belvest@bis.hk
www.bis.hk

Important notes

This communication is issued by Belvest Investment Services Limited and/or Belvest related companies (collectively, and individually Belvest) solely to its clients, qualified prospective clients or institutional and professional investors. Unless stated otherwise, any opinions or views expressed in this communication do not represent those of Belvest. Opinions or views of any Belvest company expressed in this communication may differ from those of other departments or companies within Belvest, including any opinions or views expressed in any research issued by Belvest. Belvest may deal as Distributor or Agent, or have interests, in any financial product referred to in this email. Belvest has policies designed to negate conflicts of interest. Unless otherwise stated, this e-mail is solely for information purposes.

This message may contain confidential information. Any use, dissemination, distribution or reproduction of this information outside the original recipients of this message is strictly prohibited. If you receive this message by mistake, please notify the sender by reply email immediately.

Unless specifically stated, neither the information nor any opinion contained herein constitutes as an advertisement, an invitation, a solicitation, a recommendation or advise to buy or sell any products, services, securities, futures, options, other financial instruments or provide any investment advice or service by Belvest.

No representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any figures, forecasts, prospects or return (if any) contained in the message. Such figures, forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. The assumptions and parameters used by Belvest are not the only ones that might reasonably have been selected and therefore Belvest does not guarantee the sequence, accuracy, completeness or timeliness of the information provided herein. None of Belvest, its group members or any of their employees or directors shall be held liable, in any way, for any claims, mistakes, errors or otherwise arising out of or in connection with the content of this e-mail.

This e-mail and any accompanying attachments are not encrypted and cannot be guaranteed to be secure, complete or error-free as electronic communications may be intercepted, corrupted, lost, destroyed, delayed or incomplete, and/or may contain viruses. Belvest therefore does not accept any liability for any interception, corruption, loss, destruction, incompleteness, viruses, errors, omissions or delays in relation to this electronic communication. If verification is required please request a hard-copy version. Electronic communication carried within the Belvest system may be monitored.