

Weekly Market Update

Last week we saw significant volatility in global stock markets, primarily driven by escalating trade tensions and concerns over potential economic slowdowns. This underscores the interconnectedness of global economies and the sensitivity of financial markets to geopolitical developments.

US

The S&P 500 entered correction territory for the first time since late 2023, declining over 10% from February highs, primarily due to investor concerns about potential economic slowdowns linked to trade policies. However, US stocks rebounded on March 14, with the S&P 500 marking its best daily performance since the election.

Both headline and core CPI surprised on the downside with the monthly headline CPI print coming in at its weakest since August 2024 at 0.0% which pushed the year-on-year figure down to 3.2%. Core CPI came in at 0.2% month-on-month, pushing the year-on-year figure down to 3.1%. The Fed is widely expected to keep rates on hold during Wednesday's FOMC meeting.

Amid market uncertainty, gold prices hovered near record highs, reflecting investor anxiety over economic growth due to trade policies.

President Trump's comments did not rule out a potential recession resulting from his tariffs, exacerbating investor worries about economic slowdown.

UK

The UK stock market experienced fluctuations in line with global trends, influenced by investor concerns over potential economic slowdowns linked to trade policies.

The UK faced potential repercussions from US tariff policies, particularly in sectors like steel and aluminium, prompting discussions on strategic responses to protect domestic industries.

UK regulatory bodies continued to assess the implications of global trade tensions on the financial services sector, emphasising the importance of maintaining stability and investor confidence.

Domestic economic indicators, including inflation and employment data, were closely monitored to gauge the impact of global market volatility on the UK economy.

Europe

Before the announcement of a historic debt deal in Germany, optimism was growing among economists about German and euro zone growth, as indicated in a Reuters poll from March 10-14.

The EU prepared retaliatory measures in response to US tariffs, covering €26bn of American goods, aiming to protect its economic interests and industries.

The European Central Bank faced challenges in balancing persistent inflation and fiscal uncertainty, with some economists predicting fewer rate cuts this year compared to previous expectations.

European stock markets experienced fluctuations, reflecting investor sentiment influenced by global trade uncertainties and regional economic data.

Asia/ROW

Chinese President Xi Jinping declined an invitation to visit Brussels for a summit marking the 50th anniversary of EU-China relations, potentially impacting future economic collaborations.

Chinese markets, such as the Hang Seng Index, experienced gains, partly due to a tech rally, though analysts cautioned that these markets are not immune to potential chaos stemming from US stock turmoil.

Japan's economic outlook was influenced by ongoing global trade tensions, prompting discussions on strategies to mitigate potential impacts on its export-reliant economy.

Gold prices soared towards \$3,000 per troy ounce, reflecting investor anxiety over economic growth due to trade policies.



Performance

Asset Class/Region	Currency				
		Week ending 14 Mar 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	-2.2%	-5.2%	-3.9%	10.5%
United Kingdom	GBP	-0.4%	-1.4%	6.8%	15.4%
Continental Europe	EUR	-1.4%	-1.6%	9.1%	8.7%
Japan	JPY	0.3%	1.3%	-2.4%	4.4%
Asia Pacific (ex Japan)	USD	-1.5%	1.0%	2.6%	10.1%
Australia	AUD	-1.9%	-4.1%	-3.5%	4.5%
Global	USD	-2.0%	-3.6%	-0.9%	9.9%
Emerging markets equities					
Emerging Europe	USD	3.4%	11.1%	24.0%	24.2%
Emerging Asia	USD	-1.2%	1.7%	3.1%	11.1%
Emerging Latin America	USD	3.3%	6.2%	14.1%	-11.8%
BRICs	USD	-0.2%	5.0%	8.4%	18.4%
China	USD	-0.1%	6.4%	20.0%	43.6%
MENA countries	USD	-0.8%	-2.3%	0.0%	-1.1%
South Africa	USD	0.1%	6.2%	12.4%	29.7%
India	USD	-0.5%	1.8%	-6.5%	-2.4%
Global emerging markets	USD	-0.7%	2.1%	4.5%	9.3%
Bonds					
US Treasuries	USD	0.1%	-0.5%	2.3%	4.5%
US Treasuries (inflation protected)	USD	-0.1%	-1.0%	2.6%	5.6%
US Corporate (investment grade)	USD	-0.3%	-0.9%	1.7%	5.5%
US High Yield	USD	-0.7%	-1.0%	1.1%	8.4%
UK Gilts	GBP	-0.1%	-1.1%	0.5%	-0.1%
UK Corporate (investment grade)	GBP	-0.3%	-1.1%	0.5%	3.3%
Euro Government Bonds	EUR	-0.2%	-2.8%	-2.3%	0.7%
Euro Corporate (investment grade)	EUR	-0.3%	-1.6%	-0.5%	4.4%
Euro High Yield	EUR	-0.6%	-1.1%	0.6%	7.2%
Global Government Bonds	USD	-0.2%	0.3%	2.4%	1.8%
Global Bonds	USD	-0.1%	0.3%	2.4%	3.1%
Global Convertible Bonds	USD	0.0%	0.0%	3.1%	10.3%
Emerging Market Bonds	USD	-0.3%	-0.5%	2.2%	7.9%

Performance

Asset Class/Region	Currency				
		Week ending 14 Mar 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	-2.9%	-4.9%	-0.5%	10.0%
Australian Property Securities	AUD	-0.3%	-2.3%	-4.7%	-0.5%
Asia Property Securities	USD	-0.2%	2.3%	6.0%	1.1%
Global Property Securities	USD	-1.7%	-2.6%	0.7%	7.6%
Currencies					
Euro	USD	0.4%	4.7%	5.2%	0.0%
UK Pound Sterling	USD	0.2%	2.7%	3.3%	1.4%
Japanese Yen	USD	-0.6%	1.3%	6.0%	-0.1%
Australian Dollar	USD	0.5%	1.9%	2.2%	-4.0%
South African Rand	USD	0.7%	2.7%	4.0%	3.3%
Swiss Franc	USD	-0.7%	1.9%	2.6%	-0.2%
Chinese Yuan	USD	0.1%	0.5%	0.9%	-0.6%
Commodities & Alternatives					
Commodities	USD	0.2%	0.7%	3.2%	5.5%
Agricultural Commodities	USD	-0.3%	-0.3%	-0.6%	0.3%
Oil	USD	0.3%	-3.6%	-5.4%	-17.4%
Gold	USD	2.6%	4.4%	13.7%	38.1%



Global Matters Weekly

17 March 2025

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