

# Weekly Market Update

President Donald Trump's announcement of a 25% tariff on all imports of foreign-made cars and parts has significantly impacted global markets, raising concerns about inflation, economic growth, and the potential for a broader trade war.

## US

President Trump announced a 25% tariff on all imports of foreign-made cars and parts, effective April 2 for vehicles and May 3 for auto parts.

Core PCE rose 0.4% in February, pushing the year-on-year rate up to 2.8%. Additionally, the University of Michigan survey showed long-term inflation expectations hitting a 32-year high.

US consumer confidence has hit a 12-year low, raising concerns about future spending and potential economic downturns.

Financial markets are bracing for volatility due to new "reciprocal" tariffs on various trading partners, with analysts predicting persistent inflation and slower economic growth.

## UK

Chancellor Rachel Reeves presented the Spring Statement, emphasising the need to stabilise public finances amid global trade uncertainties. The latest measures include benefit changes and reforms to public services.

The UK government faces economic threats from US protectionist policies, including recent tariffs on UK car imports and potential future tariffs on pharmaceuticals.

The Office for Budget Responsibility warned that a US-initiated trade war could nullify the UK's fiscal savings, potentially leading to higher taxes or further spending cuts.

Headline CPI for February was down to 2.8% vs 3.0% expected, leading markets to dial up rate cut expectations at the next Bank of England meeting in May.

## Europe

The EU is considering retaliatory measures in response to the US's new car tariffs, including potential tariffs on US goods.

European markets are experiencing volatility due to concerns over escalating trade tensions between the US and EU.

The European Central Bank is closely monitoring inflation data and the impact of US tariffs on the region's economy.

EU leaders are exploring negotiated solutions to avoid a full-scale trade war with the US, aiming to protect the European economy.

## Asia/ROW

China's official manufacturing activity grew by its fastest pace in a year, coming in at 50.5. This saw the Chinese composite PMI expand to 51.4 in March from 51.1 in the month prior.

Analysts are closely watching China's policy responses to US trade actions, anticipating potential adjustments to maintain economic stability.

The Bank of Japan has signalled the possibility of interest rate hikes if inflationary pressures persist, adding complexity to the economic outlook.

International businesses are reassessing supply chains and market strategies in light of new tariffs and trade barriers.

# Performance

Asset Class/Region	Currency				
		Week ending 28 Mar 2025	Month to date	YTD 2025	12 Months
<b>Developed Market Equities</b>					
United States	USD	-1.5%	-6.2%	-4.9%	7.2%
United Kingdom	GBP	0.3%	-1.0%	7.3%	12.9%
Continental Europe	EUR	-1.8%	-2.7%	7.9%	6.5%
Japan	JPY	-0.6%	3.9%	0.1%	2.8%
Asia Pacific (ex Japan)	USD	-0.6%	1.6%	3.2%	11.6%
Australia	AUD	0.7%	-1.7%	-1.1%	4.7%
Global	USD	-1.4%	-4.3%	-1.6%	7.2%
<b>Emerging markets equities</b>					
Emerging Europe	USD	2.6%	7.1%	19.5%	18.6%
Emerging Asia	USD	-1.1%	2.0%	3.4%	12.4%
Emerging Latin America	USD	-1.6%	5.8%	13.7%	-12.8%
BRICs	USD	-0.5%	5.7%	9.1%	20.1%
China	USD	-1.0%	3.5%	16.8%	42.7%
MENA countries	USD	1.3%	-0.7%	1.6%	1.9%
South Africa	USD	-0.4%	8.2%	14.6%	31.3%
India	USD	1.3%	8.7%	-0.2%	4.0%
Global emerging markets	USD	-0.9%	2.4%	4.7%	10.3%
<b>Bonds</b>					
US Treasuries	USD	0.0%	-0.1%	2.7%	4.2%
US Treasuries (inflation protected)	USD	0.5%	0.1%	3.7%	5.7%
US Corporate (investment grade)	USD	-0.2%	-0.5%	2.1%	5.1%
US High Yield	USD	-0.5%	-1.0%	1.0%	7.7%
UK Gilts	GBP	0.1%	-1.2%	0.3%	-1.4%
UK Corporate (investment grade)	GBP	-0.2%	-1.2%	0.3%	2.3%
Euro Government Bonds	EUR	0.3%	-1.8%	-1.3%	1.2%
Euro Corporate (investment grade)	EUR	0.2%	-0.9%	0.2%	4.5%
Euro High Yield	EUR	-0.2%	-0.8%	0.8%	7.8%
Global Government Bonds	USD	0.0%	0.5%	2.5%	2.1%
Global Bonds	USD	0.1%	0.6%	2.7%	3.1%
Global Convertible Bonds	USD	-1.2%	-0.9%	1.6%	9.0%
Emerging Market Bonds	USD	-0.6%	-0.7%	2.0%	6.4%

# Performance

Asset Class/Region	Currency				
		Week ending 28 Mar 2025	Month to date	YTD 2025	12 Months
<b>Property</b>					
US Property Securities	USD	0.8%	-4.6%	-0.2%	8.0%
Australian Property Securities	AUD	-2.4%	-2.9%	-5.3%	-6.7%
Asia Property Securities	USD	0.8%	3.9%	7.6%	1.3%
Global Property Securities	USD	0.7%	-1.9%	1.4%	5.7%
<b>Currencies</b>					
Euro	USD	0.0%	4.1%	4.6%	0.2%
UK Pound Sterling	USD	0.1%	2.8%	3.4%	2.5%
Japanese Yen	USD	-0.5%	0.3%	4.9%	0.9%
Australian Dollar	USD	0.2%	1.3%	1.7%	-3.5%
South African Rand	USD	-1.2%	1.3%	2.5%	2.7%
Swiss Franc	USD	0.1%	2.3%	2.9%	2.2%
Chinese Yuan	USD	-0.1%	0.2%	0.5%	-0.5%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	0.6%	1.7%	4.2%	5.4%
Agricultural Commodities	USD	-0.8%	-0.6%	-0.8%	-1.8%
Oil	USD	2.0%	0.6%	-1.4%	-15.8%
Gold	USD	2.1%	8.0%	17.6%	38.8%



# Global Matters Weekly

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