

# Global Financial Markets Weekly Update

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## Quote of the week

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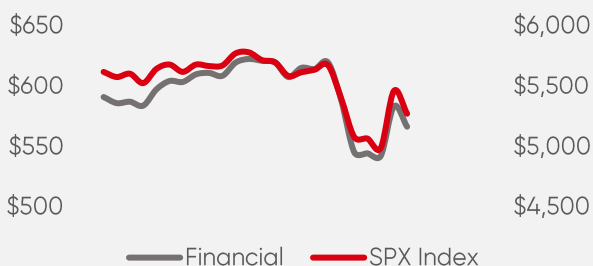
*The only way to do great work  
is to love what you do*

**Steve Jobs**

## Executive Summary

- Japan's Nikkei 225 surged to 37,608 yen this week, marking a sharp 7.87% increase over the last five days, as the index rebounded strongly with support from China's so-called "national team" intervention and improving risk sentiment across Asian markets.
- The US Dollar Index (DXY) hovered just above 103.00 this week, showing signs of stabilization after a period of extended weakness that brought it near three-year lows. Despite a brief recovery midweek, the dollar remains under pressure as markets weigh the economic fallout of aggressive tariff policies and shifting interest rate expectations.

### Financial



The financial sector advanced to \$566 this week, marking a 3.9% increase over the past five days, as a broad market rebound lifted banking and insurance stocks alongside renewed investor confidence.

### S&P 500



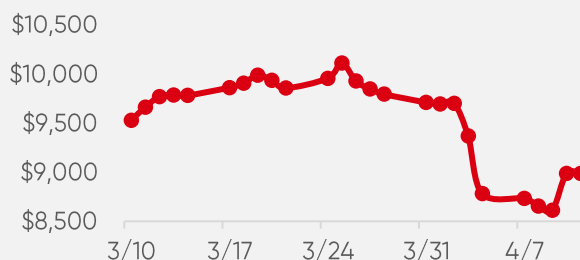
The S&P 500 climbed to \$5,668 this week, registering a 4.07% gain over the past five days, as investors staged a strong rebound despite persistent volatility and lingering concerns over U.S.-China trade tensions.

### TBC/BGEO



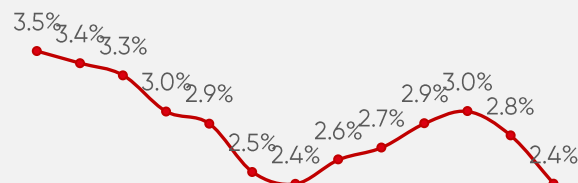
NAME	Ticker	Currency	Price	W/W chg%	P/E	EPS	Mcap '000
TBCG	TBCG	GBP	£40.05	8.83%	-	22.92	£2,251,285.51
BGEO	BGEO	GBP	£51.30	5.64%	3.30	56.91	£2,258,986.50
GCAP	CGEO	GBP	£12.82	-6.15%	4.48	9.70	£481,822.64

### Copper



Copper climbed to \$8,988 this week, marking a 2.93% gain over the past five days, as global markets digested mixed economic signals and traders rebalanced toward industrial commodities amid hopes for a rebound in manufacturing activity.

### Us Inflation

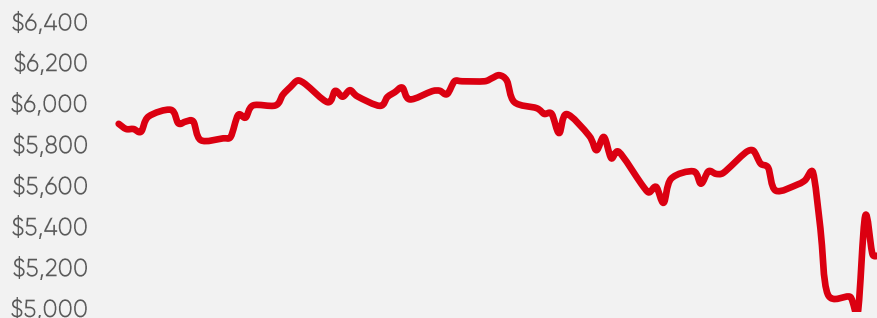


U.S. inflation slowed more than expected in March 2025, with the annual CPI easing to 2.4%, down from 2.8% in February and marking its lowest level since September 2024. Core inflation, which excludes food and energy, also cooled to 2.8%—the lowest since March 2021.



## Indices

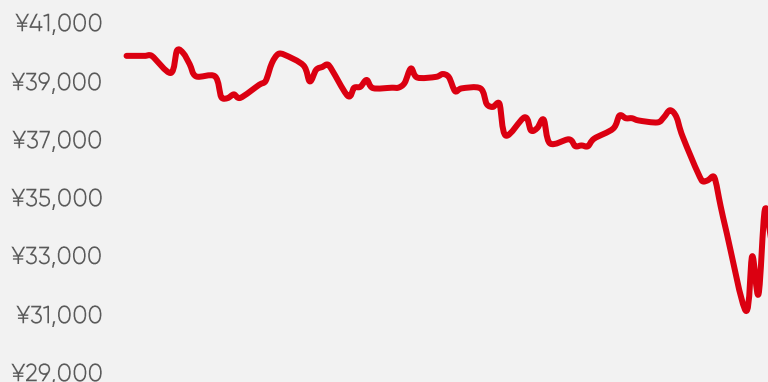
### S&P 500



The S&P 500 climbed to \$5,668 this week, registering a 4.07% gain over the past five days, as investors staged a strong rebound despite persistent volatility and lingering concerns over U.S.-China trade tensions. The surge comes on the heels of a sharp selloff, reflecting a mix of technical recovery, short-covering, and cautious optimism following a temporary pause in tariff implementation. Earlier in the week, markets were rattled by headlines warning of looming new tariffs on Chinese imports, which sent the Dow plunging 1,000 points and pushed the Nasdaq into correction territory.

NAME	LAST
Communication Service	3.75%
Consumer Discretionary	2.83%
Consumer Staples	1.05%
Energy	-2.59%
Financial	3.90%
Health Care	-0.24%
Industrial	4.71%
Materials	0.41%
Real Estate	-1.42%
Technology	6.55%
Utilities	1.19%

### NIKKEI



Ticker	Price	W/W %	P/E
6532	¥ 7,601.00	22.87%	42.19
5631	¥ 5,565.00	21.88%	23.15
5803	¥ 4,661.00	8.60%	17.31
6506	¥ 2,881.00	-13.85%	13.17
4568	¥ 3,105.00	-14.23%	24.08
4506	¥ 516.00	-16.91%	--

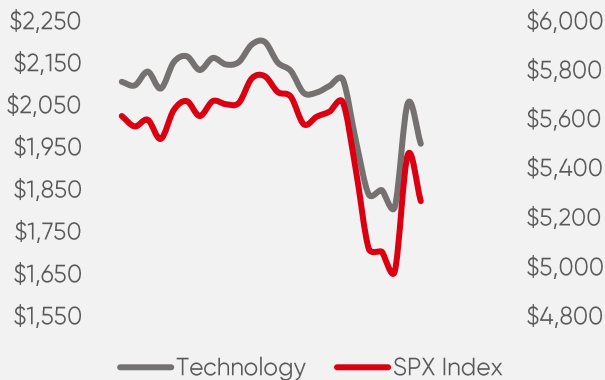
Japan's Nikkei 225 surged to 37,608 yen this week, marking a sharp 7.87% increase over the last five days, as the index rebounded strongly with support from China's so-called "national team" intervention and improving risk sentiment across Asian markets. The rally comes despite ongoing global trade turbulence, with investors taking cues from coordinated efforts by Chinese state-backed funds to stabilize regional markets in the face of escalating tariff threats from the U.S.

With fears of a renewed U.S.-China trade war rattling global equities earlier in the week, markets across Asia were initially under pressure. However, Chinese authorities stepped in aggressively—deploying state-backed institutions to buy domestic equities and ease investor anxiety. The move helped restore confidence not only within China but also in neighboring markets like Japan, where investors often react to volatility in mainland indices.

The Nikkei, which had been weighed down by yen strength and external demand risks, saw a surge in buying interest across export-oriented and technology-heavy stocks, sectors particularly sensitive to shifts in geopolitical sentiment and trade policy.

## Top Performing Sectors

### Technology

**1,959\$/6.55%**


Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
AVGO	\$ 172.30	11.88%	\$ 2.15	51.09	\$51.12
FTNT	\$ 96.32	7.69%	\$ 2.29	47.48	\$6.81
JBL	\$ 132.04	6.92%	\$ 4.24	19.24	\$2.20
CRWD	\$ 368.61	6.11%	\$ (0.07)	4437.88	\$4.53
PLTR	\$ 88.59	5.97%	\$ 0.20	451.06	\$123.99
GEN	\$ 24.26	-6.69%	\$ 1.02	18.93	\$5.30
AKAM	\$ 72.56	-7.90%	\$ 3.33	19.57	\$2.04
FSLR	\$ 122.19	-10.31%	\$ 12.06	9.66	\$3.72
INTC	\$ 19.88	-11.37%	\$ (4.38)	--	\$128.34
ENPH	\$ 49.56	-15.67%	\$ 0.76	58.03	\$4.96

The technology sector soared to \$1,959 this week, delivering a strong 6.55% gain over the past five days, as investors rotated back into growth stocks amid renewed appetite for risk and stabilization in broader equity markets. The rebound comes on the heels of a sharp correction and reflects growing confidence that core tech names remain resilient despite persistent macro volatility and trade policy noise.

This week's rally was fueled by a powerful recovery in high-beta tech stocks, including semiconductors, cloud services, and AI-linked firms, many of which had been oversold during the recent downturn. With markets digesting a temporary delay in new U.S. tariffs and signals of coordinated support across global equities, investor sentiment shifted back toward innovation-led growth sectors, sparking a strong bid for tech.

ETF flows into technology-focused funds surged as investors looked for sectors offering both earnings durability and long-term structural growth, especially in an environment where defensiveness had recently dominated. Analysts noted that while macro concerns remain, valuation resets and resilient fundamentals have made select tech names attractive once again.

### Industrial

**1,246\$/4.71%**


Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
HUBB	\$ 341.84	6.38%	\$ 14.46	23.24	\$0.87
PWR	\$ 262.70	4.23%	\$ 6.14	42.31	\$1.53
UAL	\$ 62.75	4.18%	\$ 9.52	5.94	\$13.47
GEV	\$ 309.95	4.13%	\$ 5.64	58.67	\$4.43
ETN	\$ 270.72	3.78%	\$ 9.54	26.61	\$4.96
VRSK	\$ 285.78	-6.33%	\$ 6.74	45.31	\$1.39
HON	\$ 193.39	-6.43%	\$ 8.76	20.66	\$5.77
SWK	\$ 58.68	-9.25%	\$ 1.96	11.87	\$5.02
OTIS	\$ 94.32	-9.57%	\$ 4.10	24.38	\$3.94
LUV	\$ 25.79	-10.64%	\$ 0.77	27.71	\$13.55

The industrial sector climbed to \$1,246 this week, advancing 4.71% over the past five days, as investors returned to economically sensitive sectors amid signs of market stabilization and renewed optimism about global infrastructure and trade activity. The rebound reflects a shift in sentiment, with capital rotating into cyclical sectors that had been heavily discounted during recent tariff-driven volatility.

While concerns over U.S. trade policy and global supply chain disruptions remain, the temporary pause in new tariff implementation has helped ease investor fears and reopen the door for short-term gains in transportation, construction, and machinery stocks. This week's bounce was also supported by ETF flows favoring sector rotation into areas poised to benefit from potential fiscal spending and manufacturing resilience.

## Top Performing Sectors

### Financial

**566\$/3.9%**


Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
RJF	\$ 132.23	1.50%	\$ 10.51	12.70	\$2.28
APO	\$ 123.93	0.39%	\$ 7.64	15.41	\$10.68
AMP	\$ 456.52	0.16%	\$ 33.68	12.79	\$0.89
SYF	\$ 46.63	0.15%	\$ 8.62	7.09	\$5.49
TROW	\$ 85.95	-0.32%	\$ 9.18	9.20	\$3.01
JKHY	\$ 170.14	-7.83%	\$ 5.55	30.71	\$0.76
IVZ	\$ 12.69	-8.24%	\$ 1.18	9.85	\$9.64
CINF	\$ 131.60	-9.05%	\$ 14.65	17.37	\$0.80
PFG	\$ 71.96	-9.28%	\$ 6.79	--	\$2.04
GNP	\$ 83.24	-10.48%	\$ 6.19	11.91	\$3.73

The financial sector advanced to \$566 this week, marking a 3.9% increase over the past five days, as a broad market rebound lifted banking and insurance stocks alongside renewed investor confidence. The surge reflects improving sentiment following a stretch of volatility driven by tariff headlines and recession fears, with traders rotating back into sectors that had been oversold in recent weeks.

Financials were among the primary beneficiaries of this shift, as stabilized yields and strong equity inflows helped lift sentiment across major banks, brokerages, and asset managers. Investors found renewed interest in the sector amid a sharp recovery in the broader market—evidenced by the S&P 500's notable 9.4% gain—driven by optimism surrounding a temporary pause in trade policy escalation and growing expectations of sustained central bank support.

Banks, in particular, responded to the rebound in risk appetite and slightly improved credit conditions, while insurers and diversified financials benefited from the return of capital to equity markets. Although structural risks related to tariffs and slower global growth remain, the sector's bounce suggests that investors view the recent selloff as overdone, especially given the strength of balance sheets and capital positions across major institutions.

### Communication Services

**637\$/3.75%**

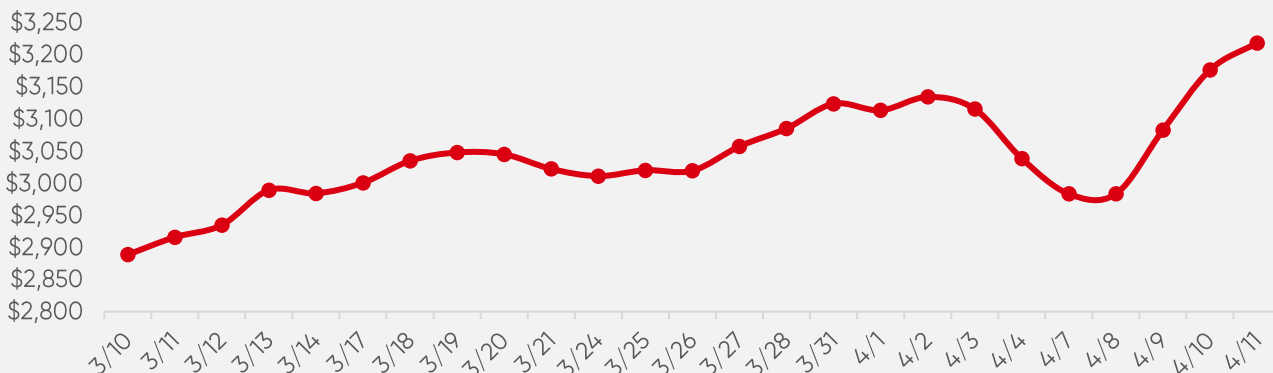

Ticker	Price	W/W %	EPS T12M	P/E	Vol. mln
META	\$ 546.29	2.76%	\$ 24.61	22.63	\$27.87
LYV	\$ 129.23	2.51%	\$ 2.77	27.81	\$3.10
GOOG	\$ 155.37	1.80%	\$ 8.13	19.29	\$35.03
GOOGL	\$ 152.82	1.39%	\$ 8.13	19.29	\$47.55
NWS	\$ 29.58	0.51%	\$ 0.73	30.84	\$0.87
VZ	\$ 42.92	-5.92%	\$ 4.15	9.67	\$36.43
MTCH	\$ 28.08	-6.96%	\$ 2.12	13.90	\$4.81
T	\$ 26.39	-7.73%	\$ 1.49	11.33	\$51.45
CHTR	\$ 335.47	-8.94%	\$ 35.55	9.02	\$1.65
WBD	\$ 8.10	-11.57%	\$ (4.61)	--	\$61.82

The communication services sector rose to \$637 this week, delivering a 3.75% gain over the past five days, as investors returned to selective growth sectors that offer both defensive attributes and earnings resilience. The rebound aligns with a broader rotation into equities following recent market volatility, with communication names—particularly those tied to digital advertising, streaming, and telecom—drawing renewed interest.

After weeks of risk-off sentiment, the sector's performance suggests growing confidence in cash-generative, high-margin businesses that remain relatively insulated from near-term economic shocks. Investor appetite was further supported by inflows into sector ETFs, as capital shifted out of extreme defensive plays and into areas offering more balanced exposure to growth, income, and user engagement-driven demand.

## Commodities

### Gold

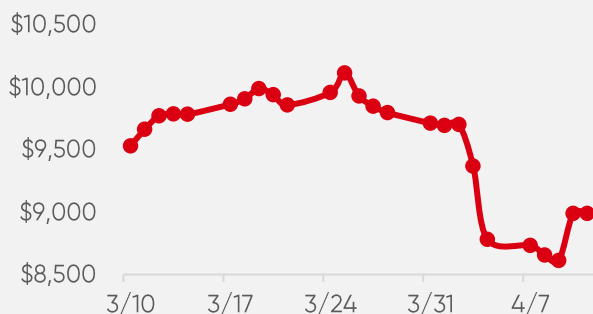


Gold surged to \$3,218 this week, posting a 7.88% increase over the past five days, as investors poured into safe-haven assets amid lingering uncertainty around tariffs, shifting capital flows, and concerns about equity market sustainability. The move comes in parallel with a record-breaking rally in broad equity indices, but unlike typical risk-on environments, gold's performance highlights persistent undercurrents of caution in global markets.

This week's spike was driven in part by significant fund movements. As equity ETFs like QQQ experienced multi-billion-dollar outflows and others like SPY saw inflows surge, gold continued to attract investors seeking portfolio diversification and protection against policy-driven volatility. The sharp moves suggest that while confidence in a market rebound is rising, so too is hedging activity against macro shocks.

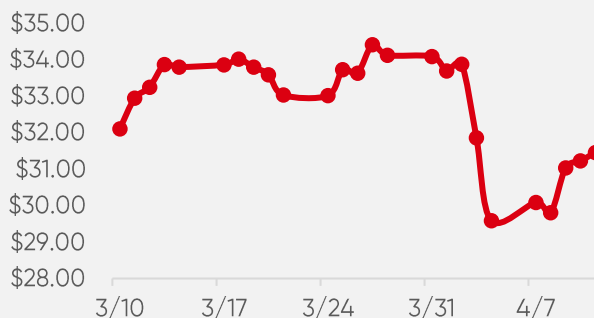
Geopolitical risk and tariff-related tensions remain unresolved, prompting institutional and retail investors alike to maintain exposure to hard assets. Gold's momentum has also been fueled by softening expectations for aggressive Fed tightening, as traders now anticipate a more cautious stance amid fragile global growth signals and politically charged economic policies.

### Copper



Copper climbed to \$8,988 this week, marking a 2.93% gain over the past five days, as global markets digested mixed economic signals and traders rebalanced toward industrial commodities amid hopes for a rebound in manufacturing activity. The red metal's upward move reflects a renewed bid for economically sensitive materials, particularly as sentiment begins to stabilize following weeks of heightened volatility.

### Silver



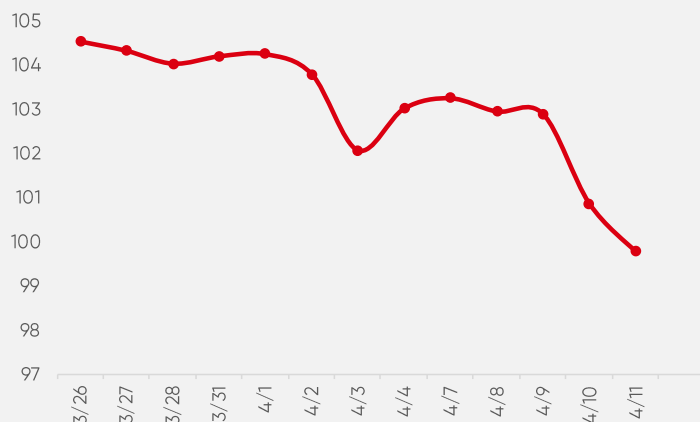
Silver advanced to \$31.46 this week, rising 4.57% over the past five days, as the metal extended its rally on the back of renewed safe-haven demand and improving sentiment toward industrial commodities. The move follows silver's increasingly important dual role—as both a monetary hedge amid economic uncertainty and a key input for industrial and clean energy applications.

Investor appetite for silver was reignited by ongoing market turbulence, driven by tariff policy instability and growing concerns about equity valuations.



## Currencies

### US Dollar Index



The US Dollar Index (DXY) hovered just above 103.00 this week, showing signs of stabilization after a period of extended weakness that brought it near three-year lows. Despite a brief recovery midweek, the dollar remains under pressure as markets weigh the economic fallout of aggressive tariff policies and shifting interest rate expectations.

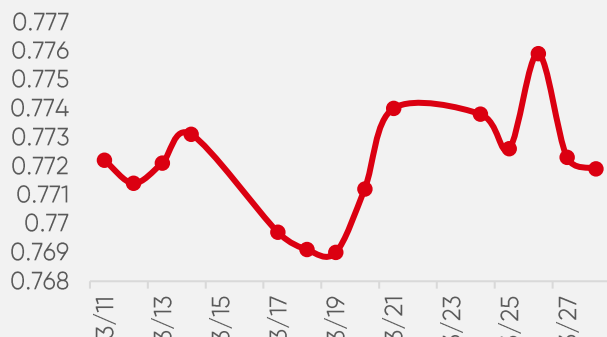
The DXY's rebound from recent lows was driven in part by technical support and mild risk aversion, prompting some short covering. However, the broader trajectory remains bearish, with investors increasingly skeptical of the dollar's strength amid mounting political uncertainty and fears of trade-driven inflation and slower U.S. growth.

The Fed's tone, which has grown more cautious in recent weeks, has also reduced the dollar's relative yield appeal compared to earlier in the year.

With equity markets regaining ground and flows returning to commodities and cyclical assets, demand for the dollar as a defensive hedge has softened. At the same time, expectations for international policy normalization—particularly from the ECB and Bank of Japan—have narrowed the rate differential advantage that once supported the greenback.

While the DXY has managed to hold above the critical 103.00 level for now, the outlook remains clouded. Unless policy clarity returns or macroeconomic surprises reverse current trends, the dollar is likely to remain on the defensive, with rallies seen as short-term corrections rather than a change in direction.

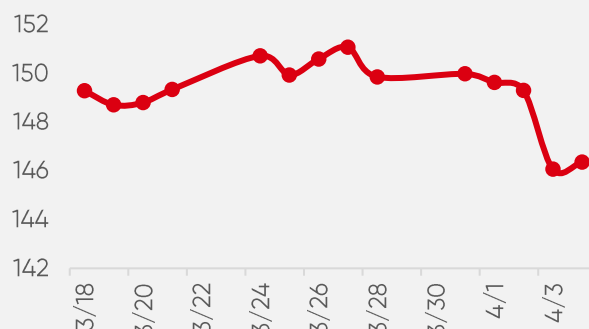
### GBP



The British pound (GBP) extended its upward momentum this week, supported by strengthening technical signals and renewed investor confidence in the currency's short-term outlook. Trading firmly above the 1.30 mark against the U.S. dollar, sterling has benefitted from what analysts describe as impulsive bullish momentum, signaling potential for further gains in the coming sessions.

According to recent analysis, the GBP/USD pair is displaying a strong directional move, underpinned by improving macro sentiment and a softening U.S. dollar.

### USD/JPY

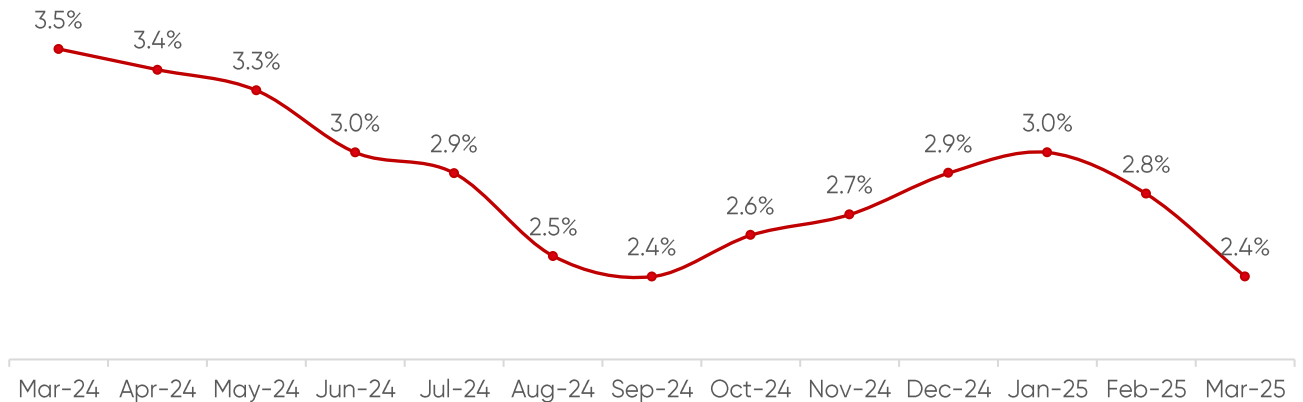


The USD/JPY pair tumbled to seven-month lows near the 142.00 level this week, as sustained U.S. dollar weakness and rising demand for the Japanese yen drove the pair lower. The move marks a continuation of the bearish trend that has gained momentum in recent weeks, with analysts warning that further downside for the dollar is likely if macro conditions remain unchanged.

The decline reflects a confluence of factors, including growing skepticism around U.S. economic resilience, diminishing expectations for further Federal Reserve rate hikes, and escalating trade tensions that have weighed heavily on dollar sentiment.

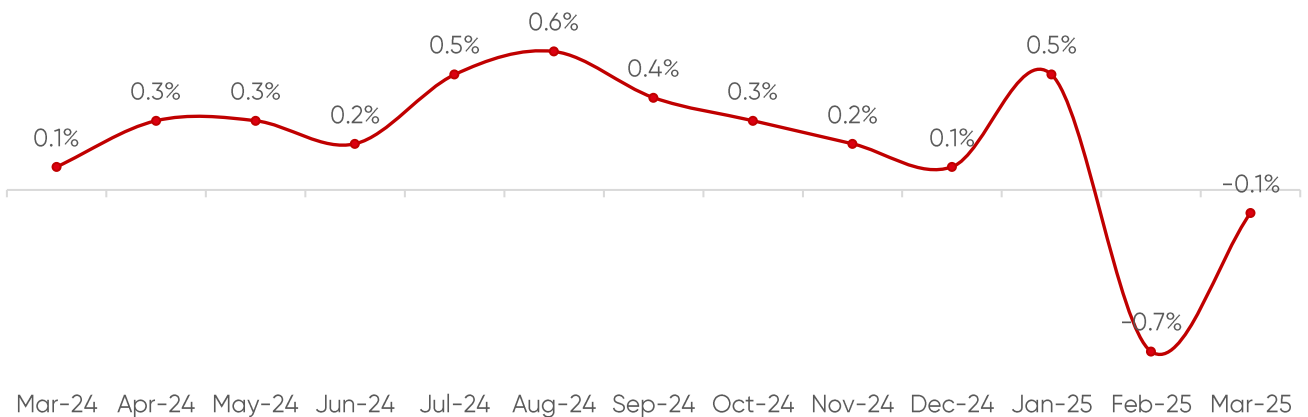
## Macroeconomics

### US Inflation



U.S. inflation slowed more than expected in March 2025, with the annual CPI easing to 2.4%, down from 2.8% in February and marking its lowest level since September 2024. Core inflation, which excludes food and energy, also cooled to 2.8%—the lowest since March 2021. On a monthly basis, core CPI declined 0.1%, the first decrease since May 2020, driven by a sharp 6.3% drop in gasoline prices and broader weakness in the energy index. Food prices, however, continued to rise, accelerating to 3% year-over-year. Shelter inflation—a key driver of core CPI—also showed signs of softening, with a 0.2% monthly increase and a 4% annual rise, the lowest since late 2021. The report, released amid uncertainty around new U.S. trade tariffs, may complicate the Federal Reserve's path forward, as falling inflation contrasts with the potential upward pressure from forthcoming tariff-driven price hikes.

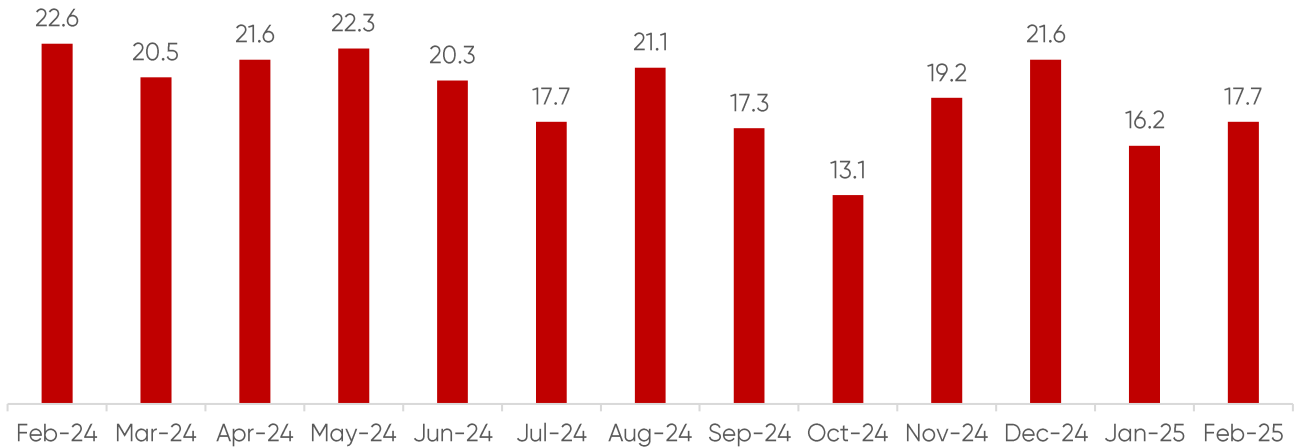
### China Inflation



China's consumer prices fell by 0.1% year-on-year in March 2025, marking the second straight month of deflation and missing market expectations of flat growth, as trade tensions with the U.S. continue to weigh on sentiment. While the pace of decline eased from February's 0.7% drop, core inflation rebounded to 0.5%, signaling some underlying resilience in domestic demand. Producer prices, however, plunged 2.5% year-on-year—the steepest fall since November 2024—extending their deflationary streak to 29 consecutive months and reflecting weakening industrial momentum amid export headwinds. With tariffs from the U.S. now at 125%, policymakers in Beijing are preparing new stimulus measures focused on consumption, with announcements expected within days. Authorities have already doubled subsidies for a trade-in program to 300 billion yuan, prioritizing household demand to cushion against external shocks.

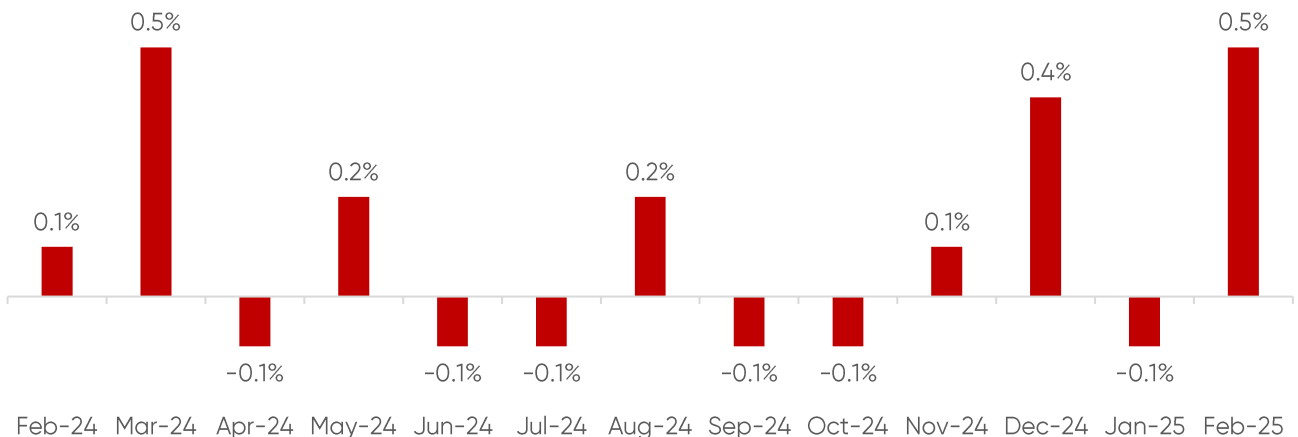
## Macroeconomics

### German Trade Balance (bln €)



Germany's trade surplus rose to €17.7 billion in February 2025, up from €16.2 billion in January, though slightly below market expectations of €17.8 billion. This improvement came as exports jumped 1.8% month-over-month to a 10-month high of €131.6 billion, driven by stronger demand from both EU countries and third countries, especially the United States (+8.5%) and China (+0.6%). Imports also increased, albeit at a slower pace of 0.7%, reaching a 20-month high of €113.8 billion, with notable growth in purchases from China (+7.1%) and the EU. Compared to the same month last year, exports were nearly flat (+0.1%), while imports surged 4.6%, suggesting resilient domestic demand despite weaker external dynamics. While the monthly surplus grew, the year-over-year comparison revealed a shrinking trade gap—from €22.6 billion in February 2024 to €17.7 billion—underscoring ongoing pressures on Germany's traditional export-led model.

### UK Monthly GDP Growth



The UK economy rebounded in February 2025, with monthly GDP rising 0.5%, marking the strongest expansion since mid-2023 and reversing January's flat performance. Growth was broad-based, with all major sectors contributing: services rose 0.3%, production surged 1.5%, and construction expanded 0.4%. The services sector, which accounts for the largest share of the economy, was boosted by gains in information and communication, retail trade, and administrative services. Meanwhile, manufacturing output jumped 2.2%, led by a nearly 10% rise in the production of computer and electronic products. On a three-month basis, GDP grew 0.6%, driven primarily by the services sector. Compared to February 2024, the UK economy is now 1.4% larger, signaling a modest but steady recovery despite lingering challenges in areas like vehicle manufacturing.

## Forthcoming Calendar

### Monday

Name	Currency	Forecast	Current
Consumer Inflation Expectations	USD		3.10%
WPI Inflation (YoY)	INR		2.38%
Industrial Production (MoM)	JPY	2.50%	-1.10%
Wholesale Sales (MoM)	CAD	0.40%	1.20%
PPI (MoM)	CHF		0.30%

### Tuesday

Name	Currency	Forecast	Current
Unemployment Rate	GBP		4.40%
French CPI (MoM)	EUR	0.20%	0.00%
CPI (YoY)	INR	3.90%	3.61%
CPI (MoM)	CAD		1.10%
German ZEW Economic Sentiment	EUR		51.60

### Wednesday

Name	Currency	Forecast	Current
GDP (YoY)	CNY	4.70%	5.40%
CPI (YoY)	EUR	2.20%	2.30%
CPI (YoY)	GBP	3.20%	2.80%
BoC Interest Rate Decision	CAD	2.75%	2.75%
Retail Sales (MoM)	USD		0.20%

### Thursday

Name	Currency	Forecast	Current
ECB Deposit Facility Rate	EUR	2.25%	2.50%
Initial Jobless Claims	USD	226K	219K
Philadelphia Fed Manufacturing Index	USD		12.50
Trade Balance	JPY		584.5B
German PPI (MoM)	EUR		-0.20%

### Friday

Name	Currency	Forecast	Current
National CPI (YoY)	JPY	4.30%	3.70%
National CPI (MoM)	JPY		-0.10%
FDI	CNY		-20.40%
Italian Trade Balance	EUR		-0.264B
U.S. Baker Hughes Oil Rig Count	USD		489.00

### Upcoming Revenue Reports

Ticker	EPS Forecast	Forecast	Market cap
GS	12.31	14.98B	158.98B
MTB	3.42	2.35B	25.94B
PNFP	1.79	481.877M	6.92B
FBK	0.8317	132.18M	1.9B
KMTS	.	.	1.24B

Ticker	EPS Forecast	Forecast	Market cap
JNJ	2.64	21.64B	358.32B
LVMUY	.	22.73B	299.14B
BAC	0.8173	26.99B	272.56B
C	1.86	21.3B	116.07B
RIO	.	.	91.26B

Ticker	EPS Forecast	Forecast	Market cap
ASML	5.65	7.88B	260.38B
ABT	1.07	10.4B	215.92B
PGR	4.74	21.6B	160.14B
BHP	1.24	.	110.8B
PLD	0.6425	1.96B	87.95B

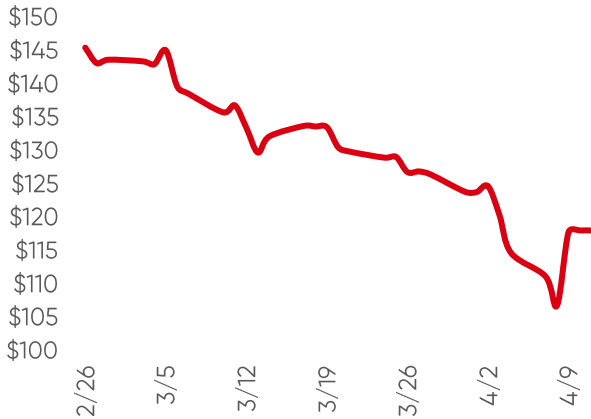
Ticker	EPS Forecast	Forecast	Market cap
TSM	2.07	25.37B	621.51B
UNH	7.29	111.5B	543.71B
NFLX	5.69	10.5B	394.04B
HESAY	.	4.48B	273.35B
LRLCY	.	12.22B	211.31B

Ticker	EPS Forecast	Forecast	Market cap
HCA	5.78	18.26B	82.48B
CMA	1.16	831.13M	6.73B
CLF	-0.6693	4.68B	3.6B
PRK	2.14	130.37M	2.29B
FMBL	.	.	680.74M



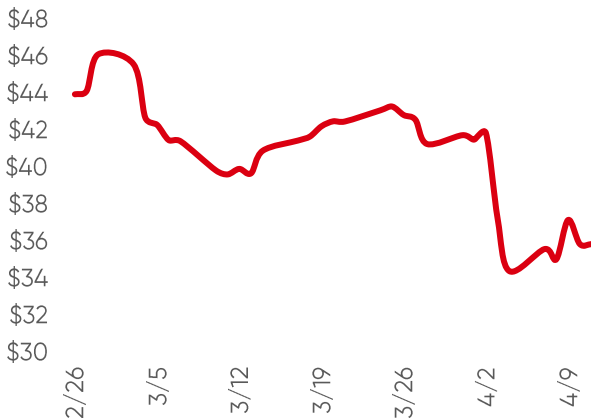
## Upcoming Opportunities

### LVMUY



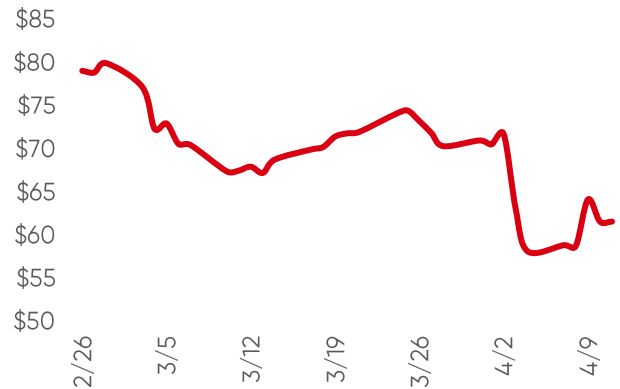
LVMH (LVMUY), the world's leading luxury conglomerate, heads into its next earnings cycle with sentiment clouded by mixed performance in recent quarters. While the group has maintained strong topline growth in its flagship fashion and leather goods division—home to Louis Vuitton and Dior—several other business segments, including Wines & Spirits and selective retail (notably DFS duty-free), have shown signs of pressure due to slowing global demand and currency headwinds.

### BAC



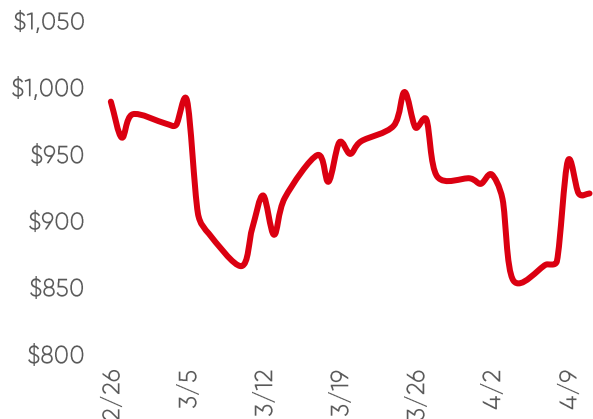
Bank of America (BAC) is set to release its next earnings report with confidence firmly supported by a streak of eight consecutive positive earnings surprises, showcasing the bank's ability to consistently outperform in a volatile macro environment. Currently trading with renewed investor interest, BAC continues to stand out as a top-tier large-cap financial stock backed by operational efficiency, diversified revenue streams, and resilient credit performance.

### C



Citigroup (C) enters the upcoming earnings season with four consecutive positive quarterly results, reflecting steady progress in its multi-year restructuring plan and improving operational performance across global banking, markets, and treasury services. As one of the most internationally exposed U.S. banks, Citi has leveraged its broad geographic footprint and diversified revenue base to navigate economic headwinds and rate volatility with resilience.

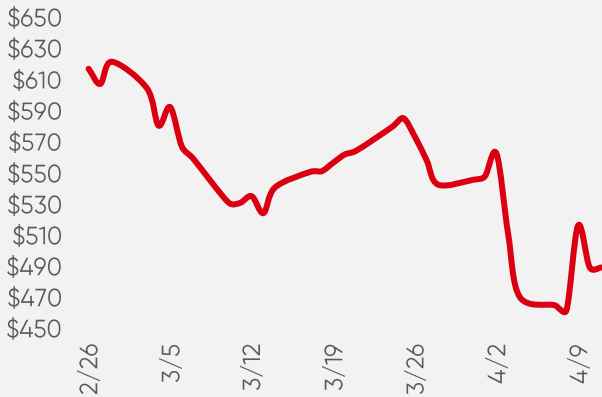
### NFLX



Netflix (NFLX) heads into its upcoming earnings report with a strong tailwind, having delivered four consecutive quarters of positive results that beat Wall Street expectations. The streaming giant has reasserted itself as a top performer in the media and entertainment space, driven by successful global expansion, a growing ad-supported tier, and disciplined content spending.

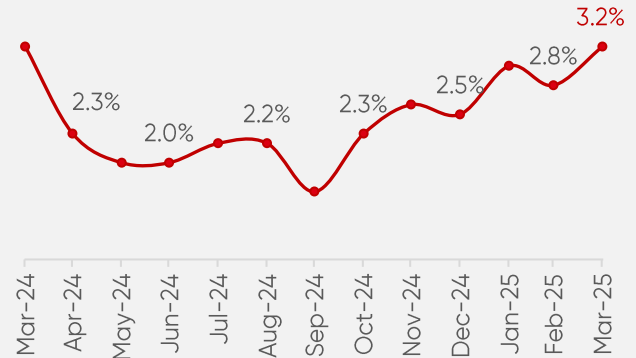
## Upcoming Opportunities

### GS



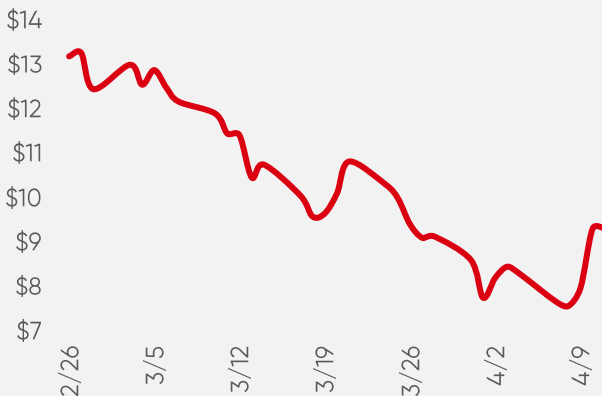
Goldman Sachs (GS), currently preparing to release its earnings report next week, stands out as a compelling opportunity for investors looking to gain exposure to a leading name in global finance. The stock is backed by a streak of five consecutive positive earnings reports, reinforcing the firm's ability to navigate volatile markets and outperform expectations across investment banking, trading, and asset management.

### UK Inflation



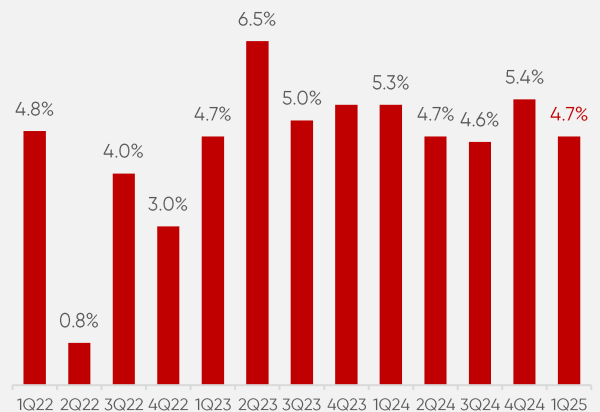
UK inflation eased to 2.8% in February 2025, down from 3.0% in January and below market expectations of 2.9%, in line with the BoE's forecast. The decline was driven by falling clothing prices, alongside easing inflation in recreation, culture, and housing-related services. Core CPI also edged lower to 3.5%, while the monthly CPI rose by 0.4%. Looking ahead, inflation is expected to tick up slightly to 3.2% in March, before gradually declining later in the year, keeping the BoE on watch as it weighs the path toward its 2% target.

### BSEM



BioSense Medical (BSEM) enters the spotlight next week as it prepares to release its upcoming earnings report, supported by a strong track record of four consecutive positive earnings results. The company has consistently outperformed market expectations, driven by robust demand for its diagnostic and therapeutic technologies, expanding market share, and a disciplined approach to cost efficiency.

### China Annual GDP Growth Rate



China's economy expanded by 5.4% in Q4-24, its fastest pace in 18 months. However, growth prospects for 2025 are being downgraded amid intensifying trade tensions with the U.S., where tariff rates have skyrocketed to 125%. Wall Street banks have responded: Goldman Sachs now forecasts 4.0% growth for 2025, Citi projects 4.2%, and Morgan Stanley maintains a 4.5% outlook. While Beijing has set a 5% growth target for the year, Q1 GDP is expected to come in at 4.7%.

## Story of the Week



### Results of Trump tariffs

This week, former President Donald Trump reignited economic and political tensions with his announcement of sweeping new tariffs on Chinese smartphones, computers, and semiconductors, sending immediate shockwaves through financial markets and raising the specter of a renewed global trade war. The aggressive move—framed as a strategic protection of U.S. industry and jobs—marks one of the most significant escalations in U.S.-China trade policy since the original tariff standoff in 2018–2019.

The financial response was swift and severe. Major U.S. indices, particularly the Nasdaq, faced sharp intraday swings as tech stocks came under pressure. Shares of multinational chipmakers and electronics manufacturers fell, while capital rotated into defensive sectors such as utilities and consumer staples. Investors scrambled to reassess earnings projections and supply chain stability, especially for firms heavily reliant on Asian imports and cross-border technology flows.

Beyond equities, the U.S. dollar weakened on fears that retaliatory tariffs from China and other trading partners could stifle global growth. Meanwhile, gold surged to new highs, as investors sought safety in hard assets amid heightened geopolitical uncertainty. The tariff announcement also triggered volatility in the semiconductor sector, with some U.S. firms facing the potential loss of Chinese demand and others weighing the implications for production costs and global competitiveness.

From a macroeconomic perspective, the tariff policy risks creating upward pressure on inflation just as the Federal Reserve attempts to stabilize its rate path. Higher import prices on critical consumer electronics could squeeze household budgets, while U.S. manufacturers may face increased input costs, ultimately affecting margins and hiring plans.

Politically, the tariffs have amplified divisions on trade policy within both parties and are poised to become a central issue in the 2025 presidential campaign. Trump's announcement—delivered alongside hardline immigration commentary—appears designed to consolidate domestic support, but it has drawn fierce pushback from global leaders and U.S. multinationals worried about escalating retaliatory measures.

As markets digest the full scope of the policy, one thing is clear: Trump's new tariff wave has reawakened fears of protectionist fragmentation in the global economy, just as it was beginning to recover from pandemic-era supply disruptions. With the trade landscape once again in flux, investors and policymakers are bracing for volatility, strategic realignment—and potentially, a new chapter in global economic confrontation.

## Definitions

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- **Equities:** Shares of ownership in a company that give investors a claim on profits, often through dividends or stock price gains.
- **Bonds:** Loans to governments or companies, paying fixed interest over time, with repayment at maturity.
- **Commodities:** Basic raw materials like oil, gold, or crops, traded on markets to hedge or profit from price changes.
- **Currency Markets (Forex):** Global trading of currencies where investors profit from exchange rate changes between pairs like EUR/USD.
- **Interest Rates:** The cost of borrowing money, set by central banks, influencing economic activity and inflation.
- **Unemployment Claims:** The number of people filing for jobless benefits. Higher claims can signal economic weakness, impacting stock and bond markets.
- **Job Creation:** A measure of new jobs added to the economy, used as an indicator of economic growth and consumer spending strength.
- **GDP (Gross Domestic Product):** The total value of goods and services produced by a country. It's a key measure of economic health and growth.
- **Consumer price index (CPI):** measures the average change in prices over time for a basket of goods and services typically purchased by households, serving as a key indicator of inflation.
- **Monetary Policy:** Actions by central banks, like adjusting interest rates, to influence economic activity and control inflation.
- **FOMC (Federal Open Market Committee):** The branch of the Federal Reserve that sets U.S. monetary policy, affecting interest rates and economic growth.
- **Dovish Stance:** A policy outlook that favors low interest rates to stimulate economic growth, often boosting stock and bond markets.
- **Hawkish Stance:** A policy outlook that favors higher interest rates to curb inflation, which can slow economic growth and hurt stocks.
- **Inflation:** The rate at which prices for goods and services rise, reducing purchasing power. It influences central bank policies and market performance.
- **Consumer Spending:** The total amount of money spent by households. It's a major driver of economic growth and corporate earnings.
- **Treasuries:** U.S. government bonds considered low-risk investments, sensitive to changes in interest rates set by the Federal Reserve.





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