

## GLOBAL MARKETS

# WEEKLY MARKET BRIEF



## Highlights.

US stocks edged higher after a 4-week losing streak as indicated by the major US indices paring their losses to close in positive territory as at close of Friday with the S&P 500 gaining 0.51% while the tech-heavy Nasdaq Composite eked out a 0.25% gain. The Federal Reserve, in its just concluded policy meeting held its policy rate steady at 4.25%-4.5% while also maintaining the forecast at 50 basis points of rate cuts this year. The Chair noted that the base case was that the inflationary effects of rate cuts would be transitory and that longer-term inflationary pressures were well anchored within the Fed's 2% inflation target – dovish sentiments that spurred the markets higher. Meanwhile, the pan-European STOXX 600 ended the week 0.31% higher while tensions about U.S. tariffs scheduled for early April clouded sentiment somewhat. Uncertainties in growth and inflation outlooks made key central banks in the Eurozone adopt a wait-and-see approach to their policy actions. Mainland Chinese stocks markets snapped their two-week positive run despite a batch of better-than-expected indicators showing that the economy started the year on solid footing. Several analysts have upgraded their GDP forecasts for China following the positive releases, reflecting confidence that Beijing can meet its annual growth goals despite the risk of an escalating U.S. trade war.

**Data highlights:** The retail sales was up 3.1% YoY from February 2024 according to the US Commerce department. In Canada, the Consumer Price Index (CPI) rose 2.6% YoY in February. The Federal reserve kept its key borrowing rate steady, in the range of 4.25% - 4.5%, matching analysts' expectations. The eurozone CPI fell to 2.3% YoY in Feb 2025, compared to 2.5% in January. This figure came in lower than the expected 2.4% figure by analysts. In the U.K the unemployment rate remained steady at 4.4% which matched market expectations. The Bank of England also kept rates steady at 4.5% which has been the lowest level since June 2023. The Bank of Japan kept interest rates steady at 0.5% which marked analyst expectations. Japan inflation rate fell to 3.7% YoY compared to 4% for the previous month. Analyst expected a higher inflation at 4.2%.

**Week ahead:** U.K GDP Growth Rate YoY, U.K Core Inflation rate – Wednesday | U.S GDP Growth Rate Q4 – Thursday | U.K GDP Growth Rate Q4, U.K Retail Sales– Friday

## Global Markets Overview

**Treasury yields:** U.S. Treasuries generated positive returns heading into Friday as yields across most maturities declined following the Fed's policy meeting. The U.S. 10-Year yield reacted to Trump's tariffs mulling, shedding slightly higher than a percent as investors awaited further clarity on President Trump's trade policies ahead of the April 2nd deadline set for reciprocal tariffs. However, the 2-year and 10-year spread remained largely unchanged at 30bps. The treasury yields continue to face pressure this year, as concerns that tariffs would slow economic growth even as the Federal reserve signalled two rate cuts in 2025- but reiterated that they are in no rush to ease policy further. Meanwhile, the Bank of England held interest rates steady at 4.5% as expected while the Swiss National Bank cut its policy rate by 25bps citing low inflationary pressure and increased downside risks.

**Equities:** Major U.S. indices pared their losses to closed in the positive territory on Friday, as President Trump suggested some "flexibility" on tariffs, while several mega-cap stocks made a recovery. Separately, stocks in Germany fall as illustrated by the DAX falling 2.53% from all-time-high levels closing the week at the 22,888 levels on Friday. BYD Company Limited, the Chinese electric-vehicle manufacturer is our stock of the week after the company unveiled its new fast-charging technology. On Tuesday, BYD unveiled its new charging technology, which it said is capable of providing 400 kilometers of range in five minutes of charging time. That means users can charge their EVs as quickly as it takes conventional cars to refuel, BYD said. The charging system will be available on the company's new vehicle models, which will go on sale next month, BYD said. The company's stock value hit all time high on this news bringing its Year-to-Date rally at 33% highlighting the stark contrast with its primary competitor - Tesla which is going through a tumultuous time and has lost half its value since December. BYD's widening lead over Tesla is set to be in sharp focus as the Chinese automaker is due to announce earnings this Monday.

**Currencies:** The US dollar index remained firm above 104 levels as investors await further clarity on President Trump's trade policies ahead of April 2nd. The greenback has faced pressure for much of the year due to tariffs weighing on any growth. It however rebounded during the week after the Fed reaffirmed that there is no rush to cut rates. Against other currencies, the USD held relatively steady versus the Euro, sterling and Kiwi while strengthening against the Yen and Yuan. In major news, The Turkish Lira extended its decline to record lows breaking the 39 per USD mark as turmoil in Turkey intensified. Istanbul's mayor, Ekrem Imamoglu, President Erdogan's key rival, was formally arrested and sentenced to jail on corruption charges.

**Commodities:** WTI crude futures traded added about 0.2% to settle at \$68.3 per barrel on Friday, marking their second consecutive weekly gains with a 1.64% increase, driven by new U.S. sanctions on Iran and a fresh OPEC+ plan to cut output among seven members. Analysts anticipate a reduction of 1 million barrels per day in Iranian exports due to tighter sanctions. On a similar note, copper futures in the US rose toward the \$5.1 per pound mark on Friday, testing record-high levels, as the risk of tariffs on copper by President Trump stressed capacity for domestic smelters. The President signed an executive order to initiate a review on copper imports after noting he would tariff the metal in an earlier speech before Congress. Finally, Natural gas futures ended the week under pressure, closing lower as traders digested a bearish mix of early-season demand weakness, a surprise storage injection, and ongoing mild weather.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.25	-1.53	-7.07
Bund 10Y	2.77	-3.86	16.81
Gilt 10Y	4.71	0.99	3.15
Japan 10Y	1.52	0.53	38.42

Indices	Close	% W/W	% YTD
S&P 500	5668	0.51	-3.64
EU Stoxx 600	561	0.31	10.95
FTSE 100	8647	0.17	5.80
Nikkei 225	37677	1.68	-5.56

Currencies	Close	% W/W	% YTD
EURUSD	1.0818	-0.56	4.48
GBPUSD	1.2919	-0.12	3.22
USDJPY	149.32	0.46	-5.01
USD Index	104.09	0.36	-4.05

Commodities	Close	% W/W	% YTD
Gold	2984	2.58	13.70
Copper	486.95	3.98	20.94
WTI Crude	67.18	0.21	-6.33
Natural Gas	4.10	-6.71	12.96

## Performance of Major Global Financial Assets

% Change.

	W/W	-1.5	-3.9	1.0	0.5	-0.6	-3.0	0.5	0.3	0.4	-0.4	0.2	1.7	-1.1	0.4	-0.6	-0.1	0.5	0.2	0.2	1.6	1.3	4.5	3.8	0.2
	MTD	0.9	14.9	5.1	10.6	2.3	9.7	-4.8	-5.4	-0.7	1.5	-1.8	1.4	3.3	-3.3	4.3	2.7	-0.9	-0.4	-2.5	-2.1	5.7	12.7	4.9	0.4
	YTD	-7.1	16.8	3.2	38.4	0.7	10.2	-3.6	-6.0	10.8	15.0	5.8	-5.6	18.1	-4.1	4.5	3.2	-5.0	-0.7	-3.3	-4.8	15.2	26.4	24.3	-0.8
		US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
		GOV. BOND YIELDS					EQUITY INDICES							CURRENCIES					COMMODITIES						

KEY: -100%  +100%

Data Sources: Bloomberg, Investing.com, TradingEconomics, T.RowePrice, Standard Investment Bank

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