

GLOBAL MARKETS

WEEKLY MARKET BRIEF



Highlights.

Global markets exhibited a blend of resilience and caution last week, influenced by economic data, trade developments, and sector-specific dynamics. In the United States, the S&P 500 Index achieved its second consecutive week of gains, closing Friday with its ninth straight session in positive territory, marking the longest winning streak since January. This upward momentum was propelled by robust earnings reports from major technology firms, including Microsoft and Meta, which helped offset concerns over President Trump's renewed tariff policies and a 0.3% contraction in Q1 GDP. European markets mirrored this optimism, with the STOXX Europe 600 Index rising by 2.92% over the week, buoyed by easing trade tensions and positive corporate earnings. In Asia, markets responded positively to signs of renewed U.S.-China trade negotiations. The Hang Seng Index climbed 2.38%, driven by announcements of planned Chinese stimulus measures. Emerging-market currencies, including the Indian rupee, strengthened as the Chinese yuan rallied past the 7.20 level against the U.S. dollar, reflecting increased investor confidence. Commodities experienced notable shifts, with oil prices declining after OPEC+ announced plans to accelerate oil output increases, potentially reintroducing up to 2.2 million barrels per day by November 2025. In the United Kingdom, economic concerns prompted the Bank of England to consider cutting interest rates from the current 4.5%, amid fears of a "growth shock" stemming from global trade tensions and domestic economic challenges. Overall, while global markets demonstrated strength in certain sectors, underlying concerns about trade policies and economic growth continue to influence investor sentiment.

Data highlights: In the U.S. the GDP in Q1 2025 contracted by -0.3% which marked the first decline since Q1 2022. This came in below market expectation of 0.3% gain and a sharp decline from 2.4% reported in the previous quarter. The Non-Farm Payroll in the U.S. showed that 177K jobs were added in April 2025 vs the market expectation of 130K.

Week ahead: Eurozone Retail Sales YoY, U.S Fed Interest Rate Decision - Wednesday | U. K BoE Interest rate decision - Thursday | Canada Unemployment rate - Friday

Global Markets Overview

Treasury yields: The U.S. 10-Year Treasury Note rose above 4.30% on Friday, following stronger-than-expected April non-farm-payroll data. The unemployment rate held steady at 4.2% as expected while wage growth eased slightly. The economy exceeded the forecast of 130,000 jobs by adding 177,000 jobs in April, compared to March's downwardly revised gain of 185,000. This fresh data shows the U.S. economy contracted in the first quarter due to a surge in imports. This data complicates the Fed's outlook, coming just days after weaker GDP figures raised the odds rate cuts later this year. The 10-Year UK Gilt yield maintained at 4.5% levels as investors added to bets on the Bank of England cutting rates to cushion the economy from mounting global trade tensions. Markets now price in nearly four quarter-point cuts by the end of 2025. There's also a 96% chance of a 25bps reduction at this coming week's BoE meeting. Separately, the UK Debt Management Office announced plans to syndicate a new 2056 gilt in the week of May 19.

Equities: US stocks were firmly higher on Friday after evidence of a strong labour market softened concerns of a recession this year. The benchmark indices all closed more than 2.9% higher with S&P 500 and the Dow set to record a nine-session win streak. On the earnings front, Exxon Mobil and Chevron closed lower for the week, posting drops of 2.17% and 0.17% respectively. Apple dropped by 1.88% for the week after they underscored that tariffs will hurt its earnings this year, while Amazon remained relatively unmoved on weaker than expected guidance. European stocks climbed to close the week higher. The Stoxx 50 jumped 2.5%, the Stoxx 600 gained 2.92% driven by a 3% rally in tech stocks. London's FTSE 100 marked its longest streak of daily gains on record rising over 2.15%. Shell launched a \$ 3.5 billion share buy back after beating Q1 profit expectations causing the stock price to climb 1.18%. Moët Hennessy also announced plans to cut over 10% of its workforce amid a restructuring at LVMH's wines and spirits division.

Currencies: The US dollar pared losses to close above 100 on Friday, set for a second straight weekly gain after the latest jobs report signalled a cooling but still resilient labour market. The non-farm payroll data report came in above expectations, offering the first look into how employment conditions are since President Trump announced sweeping tariffs. The Euro held above \$1.129 as investors processed stronger-than-expected Eurozone inflation data alongside a solid U.S. non-farm payrolls report. Euro Area inflation slightly beat the anticipated 2.1% by posting 2.2% in April. Investors maintain expectations of 60bps in European Central Bank rate cuts by the end of the year. Also worth noting is that the Chinese Yuan appreciated to 7.271 per Dollar, extending its strengthening to a five-month high despite the mainland holiday, amid hints of US-Sino trade talks. From a statement by China's Ministry of Commerce, senior US officials have made attempts to engage through relevant channels in recent days seeking to "correct its wrongdoings" by lifting all unilateral tariffs. Yuan was also supported by hopes of higher consumption as Beijing pledges more aggressive stimulus.

Commodities: US natural gas stockpiles rise the most in a 2-year period. US utilities added 107 billion cubic feet of gas to storage during the week ending 25th April to slightly above 2.0 trillion cubic feet. This was in alignment with market expectations of 110bcf, the sharpest build in two years. This increase lines up with reports that record-high gas production in the country coincided with a warmer front in the transition out of the northern winter. Wheat futures climbed more than 1.5% to above \$5.20 per bushel on Friday, supported by technical buying and persistent dryness across parts of Canada. Also bolstering the prices were concerns over tightening global supplies.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.31	1.72	-5.71
Bund 10Y	2.53	2.59	7.01
Gilt 10Y	4.51	0.65	-1.31
Aussie 10Y	4.22	-0.38	-3.26

Indices	Close	% W/W	% YTD
S&P 500	5687	2.92	-3.31
EU Stoxx 600	553	2.92	9.45
FTSE 100	8596	2.15	5.18
EU Stoxx 50	5285	2.54	7.95

Currencies	Close	% W/W	% YTD
EURUSD	1.1297	-0.60	9.11
GBPUSD	1.3272	-0.32	6.04
USDCNY	7.2714	-0.21	-0.38
USD Index	100.03	0.56	-7.80

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	1.7	2.6	0.6	-5.8	-0.4	1.7	2.9	3.4	2.5	3.8	2.2	3.2	2.4	0.6	-0.6	-0.3	0.9	-0.2	-1.7	-7.5	-2.4	-4.4	-3.6	-0.4
MTD	3.5	3.6	1.5	-4.0	1.3	2.0	2.1	2.7	2.4	2.6	1.2	2.2	1.7	0.6	-0.3	-0.4	1.3	0.0	-1.1	0.1	-1.5	1.5	-3.8	2.3
YTD	-5.7	7.0	-1.3	14.8	-3.3	3.2	-3.3	-4.3	7.9	16.0	5.2	-7.7	12.2	-7.8	9.1	6.0	-7.8	-0.4	-2.4	-18.7	23.5	14.9	24.9	-4.7
	US 10Y	BUN 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	EUR USD	GBP USD	USD JPY	USD CNY	USD AR	WTI CRUDE	GOLDCOIN	COFFEE	WHOLE EAT	
	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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