

Weekly Market Update

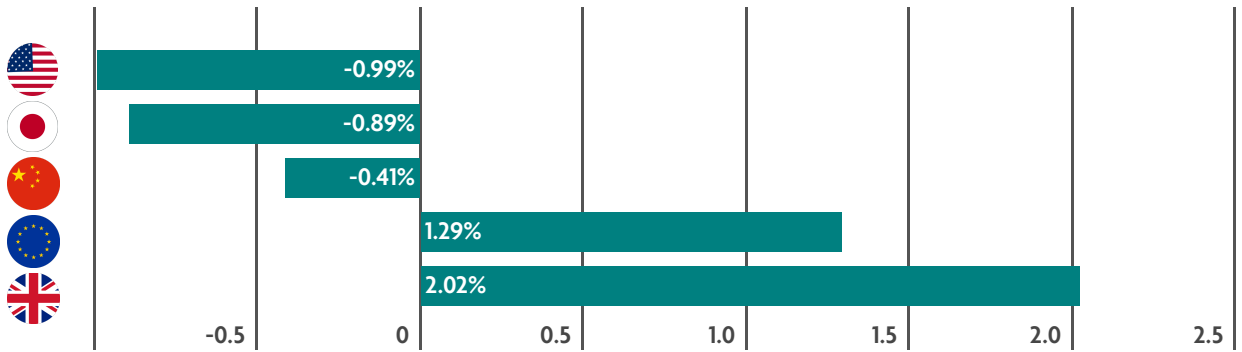


3rd February 2025

Last week's performance – major stock markets

Main headlines from last week were centred around the US. In the US, tech stocks experienced weakness after a Chinese AI company, DeepSeek, disrupted the outlook for many AI names in the US. Alongside this, President Trump continued in his tariffs rhetoric, grabbing headlines.

Market Monitor (%): How did major stock markets perform last week*?



Key stories from last week

U.S. stocks finished the volatile week 1% lower. The technology-oriented Nasdaq Composite Index experienced a particularly steep drop on Monday, driven by a sell-off in tech stocks in response to the emergence of DeepSeek, a Chinese artificial intelligence (AI) developer. DeepSeek released a new open-source large language model that reportedly requires much less energy and processing power than other leading AI applications, leading to competitive concerns in the broader AI space. The news led to shares of NVIDIA falling nearly 17% on Monday.

The second week of the Trump administration also brought a slew of political headlines that appeared to influence sentiment, particularly regarding the administration's plans for global tariffs. President Donald Trump reiterated his plan to impose 25% tariffs on Mexico and Canada, the U.S.'s top two trading partners, by February 1, while also threatening to levy an additional 10% tariff on goods from China. This comes after the prior week's comments from the president, which seemed to give investors hope that he would take a softer-than-anticipated stance on global tariffs.

This was something that was widely expected and the initial market reaction has not been severe. In a tariffs environment we would expect a stronger USD, stronger equities, and a mixed fixed income market. The fact that there have been retaliatory tariffs (and Trump's post saying that some pain will need to be felt) would highlight that the tariffs are probably going to be here for awhile and may be added to. He's already said that Europe is next. China looks like a relative winner, so far.

The Omnis Investment Club

To hear more about these topics, you can listen to our latest episode on the Omnis Investment Club Podcast.

An Interview with Ninety One Asset Management



We sat down with portfolio manager of the Omnis Income & Growth Fund, Alessandro Dicorradro of Ninety One Asset Management to chat about all things investment approach, market outlook, and opportunities in UK Equities. You can listen to this interview on the Omnis Investment Club Podcast.

*Source: Bloomberg. All performance measured in local currency.

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