

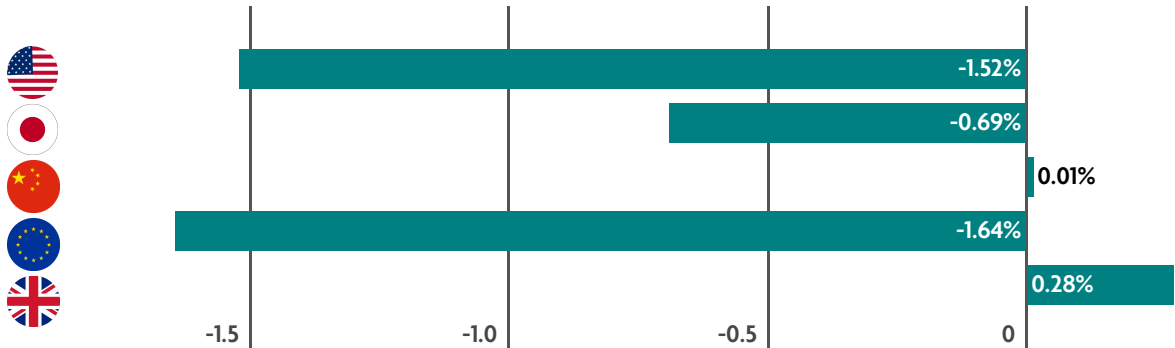
Weekly Market Update



31st March 2025

Last week's performance – major stock markets

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



Key stories from last week

U.S. stock indexes declined during the week, largely driven by weakness in the information technology and communication services sectors. Several new tariff announcements—including President Trump’s announcement on Wednesday of a 25% levy on all non-U.S.-made automobiles—as well as concerns around a broader economic slowdown and weakening consumer sentiment weighed on stocks later in the week, sending major indexes into negative territory.

Elsewhere, S&P Global reported that its Flash Composite Purchasing Managers’ Index (PMI) for March came in at 53.5, indicating an acceleration in business activity growth from February as strength in the services sector offset an unexpected drop in manufacturing activity. Notably, however, expectations for the year ahead worsened to the second-lowest level since October 2022, with many companies “citing worries over customer demand and the impact of aspects of the new administration’s policies.” Input prices also increased at the sharpest rate in almost two years in March, largely due to tariffs and increased staffing costs.

European stocks briefly waxed early in the week but ultimately waned after Trump announced on Wednesday new 25% tariffs on all autos and auto parts coming into the U.S., commencing next week. The blanket application was a worst-case outcome for Europe as hopes were that certain countries might receive an exemption. The U.S. president subsequently doubled down, threatening further tariffs should the EU retaliate with countermeasures.

On the geopolitical front, there were also encouraging developments. Early in the week, Ukrainian President Zelenskyy noted that talks between Ukraine and the U.S. had been constructive. This was followed by an announcement on Tuesday of a partial ceasefire between Russia and Ukraine, focusing on a stop of naval hostilities in the Black Sea and the suspension of attacks against energy infrastructure.

British Chancellor Rachel Reeves delivered the annual Spring Statement, confirming a raft of further spending cuts. The Office for Budget Responsibility (OBR) also halved its UK economic growth forecast for 2025 to 1% and called for higher unemployment and inflation this year. However, the OBR upgraded its economic growth projections for each year from 2026 through 2029. Also positive was the news that UK inflation came in a touch lower at 2.8% in February, down from 3% in January, keeping alive the possibility of a May interest rate cut.

The Omnis Investment Club

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



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

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