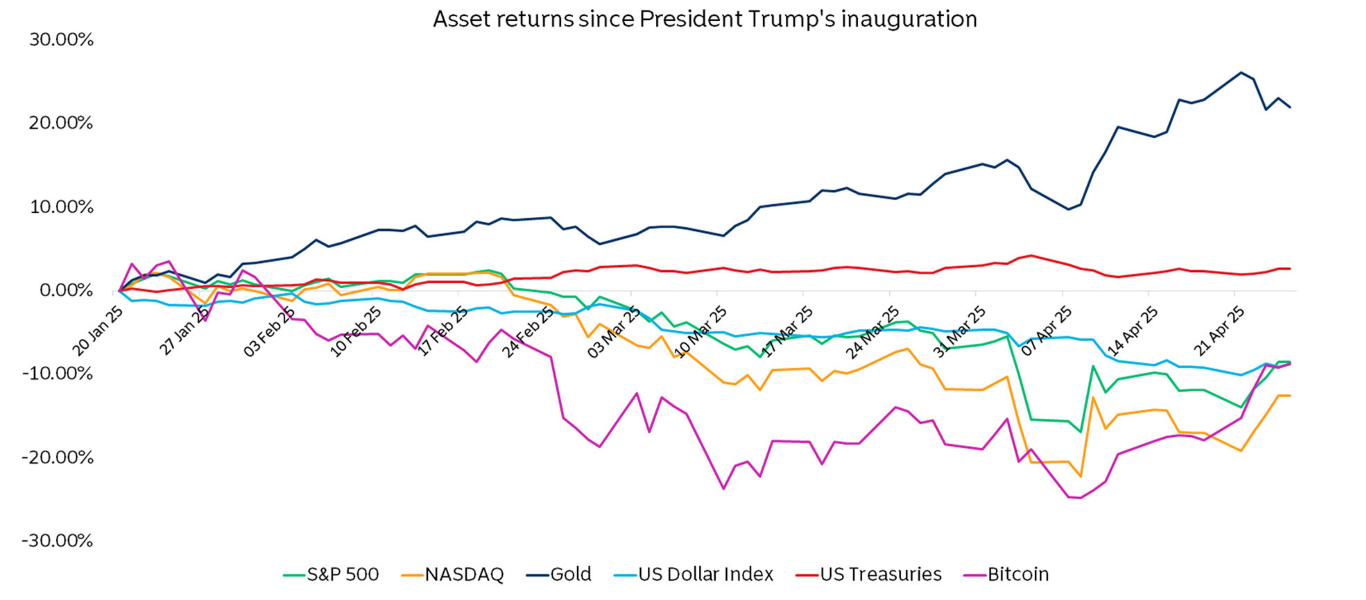
Chart of the Week

28 April 2025



Source: Bloomberg Finance L.P., as at 25 April 2025.

Has the first 100 days of President Trump made anything great again?

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Portfolio Manager

What this chart shows

The chart above shows returns of selected assets since the President Trump inauguration day. As of 25 April 2025, President Trump is nearing the end of his first 100 days in office, with the milestone officially concluding on 30 April 2025. During this period, President Trump has signed 129 executive orders, 33 proclamations, and 33 memorandums. While the full impact of these actions remains to be seen, it is premature to judge who has been made "great again." Instead, let's assess who may have become richer or poorer during this time.

The market euphoria that dominated the final weeks of 2024 now feels like a distant memory. Most trades related to Trump's policies have reversed, resulting in significant losses for those who invested based on this rather unjustified optimism. U.S. equities have taken a hit, with the S&P 500 and Nasdaq indices falling by over 12% and nearly 18%, respectively, approaching bear market territory. In the foreign exchange market, the U.S. dollar weakened by approximately 9% against a basket of major currencies. Meanwhile, commodity markets have struggled, with oil prices declining nearly 14% amid fears of an economic slowdown. Even the cryptocurrency market has faced challenges, despite some unexpected support measures from the new administration.

So, has it been all gloom and doom? Not exactly. There have been some positive developments, though "surprises" may not be the best word to describe them. In times of uncertainty, investors typically gravitate toward safer assets. U.S. Treasury bonds, along with sovereign bonds from other developed markets, have delivered positive returns over the past 100 days, offering solid returns ranging from 3% to 5%, depending on maturity. However, compared to the oldest "safe haven" asset, gold, these fixed-income returns seem less appealing. Since Inauguration Day on January 20, the price of gold has risen by 22% ($3,330 per troy ounce as of April 24, 2025). On April 22, 2025, gold hit an all-time high of $3,500. Several factors contributed to this remarkable performance, with the final spike likely driven by strong diversification flows from U.S.-based investors and reports indicating unusually tight market conditions in physical gold.

Why this is important

To summarise the first 100 days from a market perspective: the unusual volatility can be traced back to the complacency that prevailed in the markets during the final weeks of 2024, which were dominated by excessive risk-taking. The unwinding of these positions is reflected in the performance of various assets this year. It is important to note, however, that we have not seen signs of prolonged panic or capitulation. Liquidity in the market has remained abound, with a general belief that central bank future actions will remain market risk supportive.

We have yet to mention emerging markets, which have historically underperformed during times of market stress. However, we should be cautious about drawing conclusions based on historical patterns. Emerging market economies have evolved and become less dependent on U.S. dollar funding. Furthermore, we believe this time is different, as geopolitical factors are pushing some investors into emerging markets in search of diversification and hedging strategies, which could prove extremely beneficial for these economies.

Looking ahead, we strongly believe that markets will continue to surprise investors. After all, we are just completing the first 100 days of President Trump's term, which is only 1,363 days left from today!

Weekly market update - *week ending 25 April 2025*

Global markets remained under pressure from US tariff policies and political instability, with economic growth downgrades, falling confidence, and financial market volatility, though slight easing in US-China tensions.

US

- The dollar headed for its first weekly gain since mid-March on Friday as China's tariff exemptions for some US imports raised hopes of easing trade tensions.
- President Donald Trump has the lowest 100-day approval rating of any president in the past 80 years.
- The Dow industrials dropped almost 1,000 points, marking one of the worst Aprils since 1932.

UK

- Chancellor Rachel Reeves visited Washington to negotiate a US trade deal, aiming to reduce tariffs and strengthen tech and financial partnerships.
- The IMF downgraded the UK's growth forecast to 1.1% from 1.6%, citing the impact of US tariffs and domestic economic challenges.
- Economic confidence in the UK has plummeted to its lowest level since 1978, with 75% of Britons anticipating a worsening economy.

Europe

- Eurozone economic activity stagnated in April, with the PMI falling to 50.1 due to Trump's tariffs and policy uncertainty, a business survey revealed.
- The European Central Bank's latest survey suggests that eurozone inflation will average 2.2% in 2025, stabilising at the ECB's 2% target in 2026.
- The IMF reduced its 2025 growth projection for the eurozone to 0.8%, citing escalating US tariffs and the resulting economic uncertainty.

Rest of the World/Asia

- The IMF-World Bank Spring Meetings concluded with little progress on clarifying US tariff policies.
- President Xi Jinping has announced a plan to counter China's continuing economic problems and the impact of the US trade war.
- Tokyo's core inflation rate rose to 3.4%, exceeding expectations and marking the sixth consecutive month above the Bank of Japan's 2% target.

Weekly market data

week ending 25 April 2025

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Asset Class / Region	Currency	Week ending 25 April	Month to date	YTD 2025	12 months
		Cumulative returns			
Developed Markets Equities					
United States	USD	4.6%	-1.5%	-5.8%	10.5%
United Kingdom	GBP	1.7%	-1.8%	4.5%	7.8%
Continental Europe	EUR	3.3%	-1.7%	4.3%	5.5%
Japan	JPY	2.7%	-1.2%	-4.6%	1.2%
Asia Pacific (ex Japan)	USD	2.4%	-0.3%	0.8%	9.9%
Australia	AUD	1.9%	1.6%	-1.2%	7.4%
Global	USD	4.2%	-0.2%	-1.9%	11.0%
Emerging Markets Equities					
Emerging Europe	USD	5.1%	5.4%	23.0%	18.5%
Emerging Asia	USD	2.3%	-1.0%	0.3%	9.6%
Emerging Latin America	USD	7.3%	6.8%	20.4%	-3.5%
BRICs	USD	2.8%	-1.5%	6.5%	14.5%
China	USD	3.5%	-4.6%	9.7%	28.5%
MENA countries	USD	1.7%	-1.3%	0.3%	4.3%
South Africa	USD	0.9%	1.3%	15.4%	33.6%
India	USD	0.8%	2.4%	2.2%	5.1%
Global emerging markets	USD	2.7%	-0.2%	2.8%	9.3%
Bonds					
US Treasuries	USD	0.6%	0.0%	3.0%	7.2%
US Treasuries (inflation protected)	USD	0.8%	-0.5%	3.6%	7.5%
US Corporate (investment grade)	USD	1.0%	-0.3%	2.0%	7.7%
US High Yield	USD	1.2%	0.1%	1.0%	9.2%
UK Gilts	GBP	0.7%	1.4%	2.0%	3.3%
UK Corporate (investment grade)	GBP	0.9%	0.9%	1.3%	5.6%
Euro Government Bonds	EUR	0.2%	1.8%	0.5%	4.9%
Euro Corporate (investment grade)	EUR	0.3%	1.0%	1.2%	6.6%
Euro High Yield	EUR	1.0%	0.3%	1.0%	8.1%
Global Government Bonds	USD	0.2%	2.7%	5.5%	7.9%
Global Bonds	USD	0.5%	2.4%	5.3%	8.5%
Global Convertible Bonds	USD	2.4%	1.2%	2.3%	12.8%
Emerging Market Bonds	USD	1.3%	0.1%	2.1%	9.2%

Asset Class / Region	Currency	Week ending 25 April	Month to date	YTD 2025	12 months
		Cumulative returns			
Property					
US Property Securities	USD	0.6%	-3.9%	-3.1%	12.2%
Australian Property Securities	AUD	1.9%	3.1%	-4.4%	2.6%
Asia Property Securities	USD	0.0%	3.0%	9.5%	7.4%
Global Property Securities	USD	0.8%	0.0%	1.4%	11.9%
Currencies					
Euro	USD	-0.2%	5.2%	9.9%	5.9%
UK Pound Sterling	USD	0.3%	3.2%	6.4%	6.4%
Japanese Yen	USD	-1.1%	4.2%	9.4%	8.1%
Australian Dollar	USD	0.3%	2.5%	3.4%	-1.8%
South African Rand	USD	0.8%	-1.8%	1.1%	1.8%
Swiss Franc	USD	-1.4%	6.7%	9.5%	10.1%
Chinese Yuan	USD	0.2%	-0.4%	0.2%	-0.6%
Commodities & Alternatives					
Commodities	USD	-0.4%	-5.2%	-0.2%	-2.2%
Agricultural Commodities	USD	0.4%	1.8%	0.9%	-1.1%
Oil	USD	-1.6%	-10.5%	-10.4%	-24.9%
Gold	USD	-0.2%	6.5%	26.5%	42.5%

Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.

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