

# Trump, tariffs, trade and tech

Jerome Powell might have sighed with relief as the spotlight was taken away from the Fed's announcement last week. In a time when stock prices seem to hang on every syllable the Fed Chair utters, the market's attention was instead dominated by DeepSeek's release of their newest chatbot on Monday, which has been regarded as a possible "Sputnik moment" in the AI race between the US and China. The chatbot reportedly cost DeepSeek under \$6 million to build, leaving investors questioning US supremacy in AI innovation. By the end of the trading session, nearly \$1 trillion had been erased from US Big Tech valuations. Apple, Meta, Microsoft and Tesla all reported earnings last week, with Microsoft shares sliding due to disappointing cloud revenue growth. On Saturday, Trump declared a 25% tariff on goods imported from Canada and Mexico, in addition to a 10% levy on Chinese goods. The reasoning offered by the White House was twofold: to halt illegal immigration and to stem the flow of poisonous drugs. Trump has since elected to delay the tariffs on Canada and Mexico for one month after the nations' leaders promised to sure up their borders with the US. Oh, and the Fed elected to hold interest rates steady.

The ECB Governing Council decided to lower the three key ECB rates by 25-bps, bringing the deposit facility rate down to 2.75%. The announcement was received positively by investors who pushed the Euro Stoxx 600 to a new record high on Friday. Last week's rally helped ensure the index outperformed the S&P 500 in the month of January. The euro fell to below 1.025 against the dollar due to trade fears before subsequently regaining its position above 1.03 after Trump rolled back his tariff plans.

Chinese officials retaliated against Trump by declaring the imposition of 10-15% tariffs on US imports and launching an anti-trust probe into Google. The sequence of events since Saturday has left global economies on the brink of a trade war.



## Fact of the week

Nvidia lost approximately \$589 billion in market value on Monday – the largest single-day loss in US market history.

## Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Gold



- Copper
- Oil

## The week ahead

<b>05 Feb</b>	US, Eurozone, and Chinese PMI data is released.
<b>06 Feb</b>	Bank of England rate decision is announced.
<b>07 Feb</b>	US non-farm payrolls go to print.



	1 Week Return 24.01.25 to 31.01.25		Year to Date Return 31.12.24 to 31.01.25	
	Local Currency	Euro	Local Currency	Euro
World	-0.5%	0.7%	3.5%	3.1%
U.S.	-0.9%	0.2%	3.0%	2.6%
Europe	1.5%	1.5%	7.0%	7.0%
Ireland	-0.3%	-0.3%	4.4%	4.4%
U.K.	2.0%	2.7%	6.0%	4.8%
Japan	1.1%	2.9%	0.1%	1.2%
Hong Kong	0.0%	1.2%	-2.0%	-2.7%
Corporate Bonds	1.0%	1.0%	0.6%	0.6%
Sovereign Bonds	1.1%	1.1%	-0.3%	-0.3%

**Warning: Past performance is not a reliable guide to future performance.**  
**Warning: The value of your investment may go down as well as up.**  
**Warning: Benefits may be affected by changes in currency exchange rates.**  
**Warning: If you invest in this product, you may lose some or all of the money you invest.**

## Equities

- Global stocks finished at 0.7% in euro terms and -0.5% in local terms last week.
- Year-to-date global markets are up by 3.1% in euro terms and by 3.5% in local terms.
- The U.S. market, the largest in the world, finished at 0.2% in euro terms and -0.9% local terms.

## Fixed Income & FX

- The U.S. 10-year yield finished at 4.5% last week. The German equivalent finished at 2.5%. The Irish 10-year bond yield finished at 2.7%.
- The Euro/U.S. Dollar exchange rate finished at 1.04, whilst Euro/GBP finished at 0.84.

## Commodities

- Oil finished the week at \$73 per barrel and is up 1.1% year-to-date in euro terms.
- Gold finished the week at \$2,798 per troy ounce and is up 6.5% year-to-date in euro terms.
- Copper finished the week at \$8,929 per tonne.

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