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China: slow economy, fast stocks

Trump issued a(nother) tariff update last week, this time detailing his plans for a 25% charge on automobiles, pharmaceuticals and semiconductors that could be implemented as early as the 2nd of April. On Tuesday, Meta ended a 20-day winning streak that saw its shares add more than 20%. US equities took a tumble on Friday after the latest consumer sentiment survey reported a drop of nearly 10% from the January reading, with consumers' outlook blighted by inflation fears and tariff uncertainty.

The STOXX Europe 600 index reached record heights last week, before giving up nearly all its gains on the back of disappointing earnings releases from companies like Airbus and Mercedes-Benz. The German DAX 40 index fell by approximately 1% amid uncertainty regarding the snap election which took place on Sunday. The conservative CDU/CSU party won the election, with its leader Friedrich Merz now expected to be the next Chancellor. However, coalition negotiations are yet to commence.

There were two major economic releases for UK investors to digest during the week. On Tuesday, labour market data showed the unemployment rate holding at 4.4% in the three months to December against a 4.5% forecast. A CPI release on Wednesday revealed that annual inflation jumped sharply from 2.5% to 3% in January, coming in higher than the consensus estimates of 2.8%. Gilt yields rose in response, with the 10-year period finishing the week above the 4.55% level.

In Japan, annual CPI inflation climbed to 4% in January, a two-year high that's up from 3.6% in December. The reading strengthened expectations for further rate hikes by the Bank of Japan. On Tuesday, the Reserve Bank of Australia (RBA) cut interest rates for the first time in over four years. Chinese President Xi Jinping held a rare meeting with some of the nation's most prominent business leaders on Monday, where he reportedly assured policy stability, while also encouraging them to "show their talent". This represents a reversal of China's regulatory stance on the private sector in years past, as the government seeks to spur a flagging economy. Meanwhile, the Hang Seng Index extended its 2025 rally, rising nearly 4% in local terms to a three-year high.

Fact of the week

Vanguard's S&P 500 ETF "VOO" has overtaken State Street's S&P 500 ETF "SPY" as the largest ETF in the world with approximately $632 billion in assets.

Our regular market information continues on the next page.

Snapshot

- Corporate Bonds
- Gold
- Copper

- World Equities
- Sovereign Bonds
- Oil

The week ahead	
24 Feb	Euro Area CPI inflation data is released.
27 Feb	US GDP growth rate goes to print.
28 Feb	US PCE price index is reported.

	1 Week Return 14.02.25 to 21.02.25		Year to Date Return 31.12.24 to 21.02.25	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	-1.4%	-0.9%	3.8%	2.8%
U.S.	-1.8%	-1.3%	2.4%	1.5%
Europe	0.4%	0.4%	10.6%	10.6%
Ireland	4.0%	4.0%	11.4%	11.4%
U.K.	-0.5%	0.2%	6.3%	6.2%
Japan	-0.7%	1.5%	-1.7%	2.3%
Hong Kong	1.8%	2.5%	3.4%	2.4%
Corporate Bonds	0.1%	0.1%	0.9%	0.9%
Sovereign Bonds	-0.5%	-0.5%	-0.1%	-0.1%

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 -0.9% in euro terms and -1.4% in local terms last week.
- Year-to-date global markets are up by 2.8% in euro terms and by 3.8% in local terms.
- The U.S. market, the largest in the world, finished at -1.3% in euro terms and -1.8% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.4% last week. The German equivalent finished at 2.5%. The Irish 10-year bond yield finished at 2.8%.
- The Euro/U.S. Dollar exchange rate finished at 1.05, whilst Euro/GBP finished at 0.83.

Commodities

- Oil finished the week at $70 per barrel and is down -2.8% year-to-date in euro terms.
- Gold finished the week at $2,936 per troy ounce and is up 10.8% year-to-date in euro terms.
- Copper finished the week at $9,519 per tonne.

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