A tariff on our spirit(s)

US equities had a poor start to the week after US President Trump refused to rule out the possibility of a recession in an interview on Sunday. The Nasdaq 100 registered its worst day since 2022 on Monday, and US equities officially entered correction territory during the week, down more than 10% from record highs set in February. In tariff talk, the EU announced plans to place a 50% levy on American-made whiskey in response to Trump's tax on steel and aluminium imports. Trump countered by threatening a 200% tariff on all alcoholic products imported from the EU.

There were two key inflation indicators for the US to report last week. A CPI release on Wednesday showed that growth had eased to 2.8% in February, better than the 2.9% expected. On Thursday, the Producer Price Index (PPI) came in flat for February, again beating projections for an increase in wholesale prices. Despite the strong releases, the 10-year Treasury yield ended the week flat, buoyed by uncertainty induced by the latest developments in the tit-for-tat trade war.

The word "ceasefire" began to dominate headlines in Europe last week as both Ukrainian President Zelenskyy and Russian President Putin expressed their desire to end the fighting. Expectations that German fiscal policy reforms will receive parliamentary approval added to the optimistic sentiment, causing the euro to strengthen, with EUR/USD holding close to the 1.09 level. The main economic release of note was the Eurozone industrial production for January, which indicated output grew by 0.8% monthly, outpacing expectations of 0.6%.
In the UK, a GDP report showed that the economy contracted by 0.1% in January when a 0.1% expansion had been anticipated. This marked another blow to Chancellor of the Exchequer Rachel Reeves's push for growth. She pinned the fall in productivity on global economic uncertainty while adding that she expects a boost in defence spending to kickstart growth.

Elsewhere, gold continued to shine through the fog of geopolitical scepticism, reaching a new milestone high of $3,000/oz.

Fact of the week

The current US stock market correction marks the 27th since November 1974. Only 6 of the previous 26 corrections became bear markets.

Our regular market information continues on the next page.

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Snapshot

- World Equities
- Gold
- Copper

- Corporate Bonds
- Sovereign Bonds
- Oil

The week ahead	
19 Mar	The Bank of Japan announces its interest rate decision.
19 Mar	The Federal Reserve announces the FOMC's interest rate decision.
20 Mar	The Bank of England issues a monetary policy announcement.

	1 Week Return 07.03.25 to 14.03.25		Year to Date Return 31.12.24 to 14.03.25	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	1.3%	0.5%	0.0%	-5.2%
U.S.	1.2%	0.5%	-3.5%	-8.5%
Europe	1.0%	1.0%	10.1%	10.1%
Ireland	-1.9%	-1.9%	17.9%	17.9%
U.K.	1.1%	0.9%	7.4%	5.6%
Japan	1.6%	-0.1%	-2.0%	-1.7%
Hong Kong	0.1%	-0.7%	8.7%	3.0%
Corporate Bonds	-0.5%	-0.5%	-1.0%	-1.0%
Sovereign Bonds	0.3%	0.3%	-2.9%	-2.9%

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 0.5% in euro terms and 1.3% in local terms last week.
- Year-to-date global markets are down by -5.2% in euro terms and remain flat at 0.0% in local terms.
- The U.S. market, the largest in the world, finished at 0.5% in euro terms and 1.2% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.3% last week. The German equivalent finished at 2.8%. The Irish 10-year bond yield finished at 3.1%.
- The Euro/U.S. Dollar exchange rate finished at 1.09, whilst Euro/GBP finished at 0.84.

Commodities

- Oil finished the week at $68 per barrel and is down -10.7% year-to-date in euro terms.
- Gold finished the week at $3,001 per troy ounce and is up 8.4% year-to-date in euro terms.
- Copper finished the week at $9,799 per tonne.

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