

# Markets respond to Trump tariffs

Global markets reacted strongly to what was dubbed “Liberation Day”, when US President Trump finally revealed what had been the subject of speculation for so long: the full scale and detail of his tariff plans. Trump declared a 10% charge on all imports into the US from any country, accompanied by more severe levies on specific trading partners. Some notable inclusions were: 20% tariff on the EU, 34% tariff on China, and a 24% tariff on Japan. The announcement “liberated” US equities from roughly \$2 trillion in market capital on Thursday, which finished their worst week since the pandemic down -10.5% in euro terms, with some major indices falling into bear market territory.

The events had a significant impact on the public’s outlook for the US economy, particularly relating to growth, inflation and interest rates. The dollar weakened considerably amid the concerns, and the 10-year treasury yield fell from 4.25% to below 4%, as investors rushed to the safety of bonds. A US non-farm payrolls release on Friday had little impact on markets, despite showing 228,000 jobs were added in March, well in excess of projections of 140,000.

Investors have now turned their attention towards those that were hit hardest by US tariffs, in fear that they might respond with import taxes of their own. China have already acted, placing a 34% tariff on the US on Friday.

Global stock indices fell commensurate to US counterparts last week. European equities sank -8.4%, while flash estimates for Eurozone March inflation revealed a fall to 2.2% from 2.3% in February. In China, the PMI index indicated that manufacturing activity hit a 12-month high in March, but this couldn’t prevent stocks in Hong Kong from finishing the week -2.8% in the red. Shares were also down in the UK and Japan, slipping -8.3% and -8.8% respectively. With the dollar on the defensive, EUR/USD rose to 1.10, its highest level since October.



## Fact of the week

The Heard and McDonald Islands, located near Antarctica, were among those hit with a 10% tariff by the Trump administration, even though their only inhabitants are penguins and seals.

Our regular market information continues on the next page.

## Snapshot



- Corporate Bonds
- Sovereign Bonds
- Gold



- World Equities
- Oil
- Copper

## The week ahead

**10  
April**

US CPI inflation data for March goes to print.

**11  
April**

US PPI data for March is released.

**11  
April**

US consumer sentiment readings are reported.



	1 Week Return 28.03.25 to 04.04.25		Year to Date Return 31.12.24 to 04.04.25	
	Local Currency	Euro	Local Currency	Euro
World	-8.5%	-9.8%	-10.0%	-15.1%
U.S.	-9.1%	-10.5%	-13.8%	-18.7%
Europe	-8.4%	-8.4%	-1.1%	-1.1%
Ireland	-6.5%	-6.5%	4.8%	4.8%
U.K.	-6.8%	-8.3%	0.0%	-2.7%
Japan	-10.3%	-8.8%	-11.0%	-9.4%
Hong Kong	-1.3%	-2.8%	4.5%	-1.6%
Corporate Bonds	0.1%	0.1%	-0.7%	-0.7%
Sovereign Bonds	1.1%	1.1%	-1.3%	-1.3%

**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 down -9.8% in euro terms and -8.5% in local terms last week.
- Year-to-date global markets are down by -15.1% in euro terms and down by -10.0 % in local terms.
- The U.S. market, the largest in the world, finished at -10.5% in euro terms and -9.1% local terms.

## Fixed Income & FX

- The U.S. 10-year yield finished at 4.0% last week. The German equivalent finished at 2.6%. The Irish 10-year bond yield finished at 2.9%.
- The Euro/U.S. Dollar exchange rate finished at 1.10, whilst Euro/GBP finished at 0.85.

## Commodities

- Oil finished the week at \$62 per barrel and is down -18.3% year-to-date in euro terms.
- Gold finished the week at \$3,038 per troy ounce and is up 9.4% year-to-date in euro terms.
- Copper finished the week at \$8,717 per tonne and is down -4.8% year-to-date in euro terms.

Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced, or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing, or creating any MSCI expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability, and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

Source ICE Data Indices, LLC ("ICE DATA"), is used with permission. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD-PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDICES, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES NOR THEIR RESPECTIVE THIRD-PARTY PROVIDERS SHALL BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDICES OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDICES AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN "AS IS" BASIS AND YOUR USE IS AT YOUR OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD-PARTY SUPPLIERS DO NOT SPONSOR, ENDORSE, OR RECOMMEND ZURICH LIFE ASSURANCE PLC, OR ANY OF ITS PRODUCTS OR SERVICES. Figures are calculated using Total Returns Indices.

### Zurich Life Assurance plc

Zurich House, Frascati Road, Blackrock, Co. Dublin, A94 X9Y3, Ireland.  
Telephone: 01 283 1301 Fax: 01 283 1578 Website: [www.zurich.ie](http://www.zurich.ie)

Zurich Life Assurance plc is regulated by the Central Bank of Ireland.