

Gold rallies amid tariff trauma

Tech stocks opened higher on Monday 14th April after US President Trump announced sweeping tariff exemptions for electronic goods. Following hints of a similar exemption for automobiles, shares in automakers enjoyed a rally early in the week on both sides of the Atlantic. However, US equities would finish the week -1.5% in the red following remarks from Fed Chair Jerome Powell, who said that the effects of Trump's policies on the economy "remain highly uncertain" and that "tariffs are highly likely to generate at least a temporary rise in inflation". The dollar weakened following Powell's comments, with EUR/USD rising to 1.14, its highest level in more than three years.

Meanwhile, economic indicators for the US remained in relatively good shape. Retail sales rose 1.4% in March, the largest jump in more than two years. However, economists have speculated that the figure was boosted by pre-tariff buying. Total industrial output fell 0.3% in March, while manufacturing production and mining output grew 0.3% and 0.6% respectively. Nvidia announced it is working with manufacturing partners to build two supercomputer factories in Houston and Dallas which it expects will create "hundreds of thousands of jobs".

The European Central Bank opted to reduce interest rates again on Thursday, as widely expected. This marked a seventh consecutive cut, bringing the deposit facility rate down to 2.25%. Amid global trade uncertainty, the German ZEW economic sentiment indicator sank to -14.0 in April, its lowest since July 2023, after setting a two-year high of 51.6 in March.

In the UK, annual CPI inflation for March came in at 2.6%, down from 2.8% in February and beating forecasts of 2.7%. UK equities rebounded during the week, notching an impressive gain of 5.3%, while gilt yields descended from above 4.7% to less than 4.6%.

Meantime, gold extended its historic rally, rising 2.4% as investors continue to flood into the safe-haven asset.



Fact of the week

Irish Pharma exports to the US surged by more than 450% (€10.5bn vs €1.9bn) in the year to the end of February, a strong suggestion of potential pre-tariff stockpiling.

Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Gold



- Oil
- Copper

The week ahead

22 April	Eurozone consumer confidence indicator goes to print.
23 April	US, UK, German, and Japan PMI are all reported.
25 April	UK retail sales data for March is released.



	1 Week Return 11.04.25 to 18.04.25		Year to Date Return 31.12.24 to 18.04.25	
	Local Currency	Euro	Local Currency	Euro
World	0.2%	0.0%	-5.9%	-14.1%
U.S.	-1.4%	-1.5%	-10.1%	-18.0%
Europe	3.7%	3.7%	1.0%	1.0%
Ireland	2.4%	2.4%	5.3%	5.3%
U.K.	4.0%	5.3%	2.8%	-0.9%
Japan	3.8%	4.7%	-8.5%	-7.7%
Hong Kong	4.8%	4.6%	-1.0%	-9.7%
Corporate Bonds	1.5%	1.5%	0.3%	0.3%
Sovereign Bonds	0.8%	0.8%	-0.4%	-0.4%

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 0.0% in euro terms and 0.2% in local terms last week.
- Year-to-date global markets are down by -14.1% in euro terms and down by -5.9% in local terms.
- The U.S. market, the largest in the world, finished at -1.5% in euro terms and -1.4% local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.3% 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 1.14, whilst Euro/GBP finished at 0.86.

Commodities

- Oil finished the week at \$65 per barrel and is down -18.0% year-to-date in euro terms.
- Gold finished the week at \$3,327 per troy ounce and is up 15.2% year-to-date in euro terms.
- Copper finished the week at \$9,161 per tonne and is down -3.8% year-to-date in euro terms.

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