



Monthly Market Video: April

Commentary by Monica Defend

Markets are navigating President Trump's shifting trade policies, with growing concerns about tariffs weighing on economic growth. Meanwhile, Europe's push for strategic autonomy and China's fiscal stimulus have fuelled market optimism, driving significant outperformance versus US equities.

Investors should now monitor these 4 main themes:

- First, Germany's fiscal push and the EU's defence initiative could be game changers for the region's growth, but they will take time to deliver;
- Second, tariff pressures are eroding consumer spending in the US, creating downside risks to growth, while inflation remains within expectations;
- Third, market expectations for Fed rate cuts have increased, but the central bank remains cautious, as continued trade uncertainty could cause renewed price pressures;
- Finally, China's fiscal measures and the development of the technology sector have lifted market confidence.

With US policy uncertainty rising and Europe and China signalling fiscal expansion, markets are favouring a rotation out of US large caps and increased focus on Asia and Europe.