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Market Snapshot

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Last Week in the City provides a round-up of market movements and the global investing outlook. This covers the week to 17 April 2025.

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UK equities rose in a shortened trading week after US Vice-President JD Vance said there was a "good chance" a trade deal could be reached with the UK. Global equities continued to be volatile amid the uncertain outcome of Donald Trump's trade war. More temporary exemptions were announced, as talks with countries over the reduction of trade barriers continued.

In UK equities, the FTSE 100 was +4.0% over the week by mid-session on Thursday, with the more UK-focused FTSE 250 +3.6%.

Trump tariffs

The United States temporarily exempted smartphones and certain other electronic components from a 125% tariff on Chinese imports. This exemption, announced by Donald Trump, aims to avoid significant price increases for consumers and maintain supply chains. As well as smartphones, the exemption applies to computers, and key electronic components, including semiconductors, memory chips, and flat panel displays. The exemption is described as temporary, and there is a possibility of future adjustments or new tariffs being imposed on these items. The exemption could prevent substantial price increases for electronics, particularly smartphones, which are heavily reliant on Chinese manufacturing and assembly.

US economic growth will fall and consumer prices will rise because of President Trump's new tariffs on goods entering US, according to central bank chief Jerome Powell. The head of the Federal Reserve said the import taxes recently announced by

President Donald Trump were larger than the bank had expected, going beyond the higher end of its estimates. Mr Powell said surveys of households and businesses reported a "sharp decline" in their sentiment over the economic outlook, largely due to tariff concerns.

Following Mr Powell's comments, spot gold prices jumped to a new all-time high hitting \$3,357.40 per ounce on Wednesday, before dipping from its peak. It has risen by around a third since the start of the year.



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The World Trade Organization (WTO) has forecast that global trade will fall this year because of US President Donald Trump's tariffs. It said that "severe downside risks", including reciprocal tariffs and political uncertainty, could lead to an even sharper decline in global goods trade.

US Vice-President JD Vance said there was a "good chance" a trade deal could be reached with the UK. "We're certainly working very hard with Keir Starmer's government," Mr Vance said in an interview on Monday with the UnHerd website. UK government sources have suggested that recent talks with the US on a trade deal have been making good progress. It is understood that any deal would focus on more than just lowering tariffs, and cover elements of trade in both goods and services.

What are Washington's long-term aims in the current trade war – and how will China respond?

Economics

UK inflation eased in March – for the second month in a row – but this is not expected to last, official figures show. The consumer price index (CPI) rose at an annual rate of 2.6% in March, as petrol and toy

prices fell. Household bills went up at the start of April, which is expected to boost the reading from this month.

More low-deposit mortgages are available in the UK than at any time since the financial crisis, according to Moneyfacts. The number of deals that require a deposit of 5% or 10% have risen to their highest level since 2008, it said. The extra choice is a boost for first-time buyers, although house prices and mortgage rates are higher than they were for much of the last 17 years.

UK job vacancies have fallen to the lowest level in nearly four years, ahead of a rise in National Minimum Wage and employer National Insurance contributions at the start of April. The number of jobs on offer fell to 781,000 in the first three months of the year, the Office for National Statistics (ONS) said, while payroll numbers also declined.

What does the dispute between British Steel and the government tell us about the government's growth policy and net-zero plans?

Companies

Shares in artificial intelligence (AI) chip company **Nvidia** fell after it said the US government had told it that its H20 chip required a permit to be sold to China, including Hong Kong. The tech giant said federal officials had advised them the licence requirement "will be in effect for the indefinite future" and Nvidia sees about \$5.5bn of extras costs from the move. "The [government] indicated that the license requirement addresses the risk that the covered products may be used in, or diverted to, a supercomputer in China," Nvidia said.

J Sainsbury joined **Tesco** in warning over the impact of the current supermarket price war, which was started by Asda. The group, which has a UK grocery market share of 15%, forecast retail underlying operating profit, its preferred metric, of "around" £1bn for the current year. This compares to £1.036bn made in the year to 1 March 2025, which was in line with expectations.

Recruiter **Hays** warned that it expected challenging market conditions for recruitment to persist into 2026, echoing industry concerns about a worsening job market driven by Europe's economic struggles and an escalating global trade war.

Shares in **LVMH** plunged after the world's largest luxury group posted an unexpected decline in first-quarter sales. The luxury group reported a 3% year-on-year fall in first-quarter sales in a trading update. The fall meant rival **Hermès** is now the largest listed luxury goods company in the world.

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