



NORMAN K.

MONTHLY NEWSLETTER – April 2025

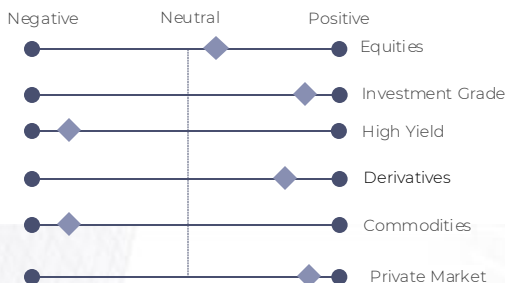


Olivier LIOT
Founder - Head of
Corporate & Private Banking

April was marked by significant volatility, driven by the unexpected implementation of much harsher tariffs by the US administration on 2 April. This was followed by a series of escalations until 9 April, when a 90-day suspension of the US tariffs was finally announced. A similar easing of tensions between the US and China took several more weeks to materialise.

In the meantime, markets suffered their sharpest correction since the onset of the Covid-19 pandemic. Global equities and sovereign bonds both declined. However, these downward moves were partially reversed thanks to the strength of the subsequent rebound. Volatility proved to be short-lived, with equity markets recovering their losses in the second half of April. Our previously mentioned strategy of strengthening equities during downturns in portfolios has been positive.

OUR MARKET VIEWS



POTENTIAL MARKET CATALYST



Monetary policy easing by central banks



Inflation easing more significantly



President Trump's pro-growth measures



Easing of geopolitical tensions / trade war

KEY INDICATORS

| Equities (%) | Level | March | April | YTD |
|------------------|--------|-------|-------|--------------|
| S&P 500 | 5 569 | -5.75 | -0.76 | -4.67 |
| Nasdaq 100 | 19 571 | -7.69 | 1.52 | -5.81 |
| Eurostoxx 50 | 5 160 | -3.94 | -1.68 | 7.30 |
| FTSE 100 | 8 495 | -2.58 | -1.02 | 4.79 |
| China SI 300 | 3 771 | -0.07 | -3.00 | -2.62 |
| Emerging markets | 1 113 | 0.38 | 1.04 | 5.76 |

| Bonds (ratespreads) | Level | March | April | YTD |
|---|-------|-------|-------|--------------|
| Spread change level | | | | |
| 10 year government bonds | | | | |
| US | 4.16 | -0.00 | 0.04 | -5.24 |
| Europe | 2.44 | 0.33 | -0.29 | 7.10 |
| Corporate – 5 years spread (change level) | | | | |
| Investment Grade US | 67 | 12.25 | 5.67 | 29.94 |
| Investment Grade Europe | 106 | 7.28 | 3.50 | 3.91 |
| High Yield US | 408 | 67.55 | 31.20 | 27.38 |
| High Yield Europe | 350 | 39.24 | 22.36 | 5.46 |

| Currencies (%) | Level | March | April | YTD |
|----------------|--------|-------|-------|--------------|
| EUR / USD | 1,328 | 4.25 | 4.73 | 9.74 |
| GPB / USD | 1,3329 | 2.71 | 3.18 | 6.58 |
| CHF / USD | 1,2110 | 2.13 | 7.08 | -9.04 |

| Commodities (%) | Level | March | April | YTD |
|-----------------|-------|-------|--------|---------------|
| Gold | 3 289 | 9.30 | 5.29 | 28.86 |
| Brent | 63 | 2.13 | -15.55 | -15.59 |
| Copper | 461 | 10.66 | -9.29 | 15.68 |
| Aluminium | 2 387 | -3.99 | -5.13 | -4.94 |

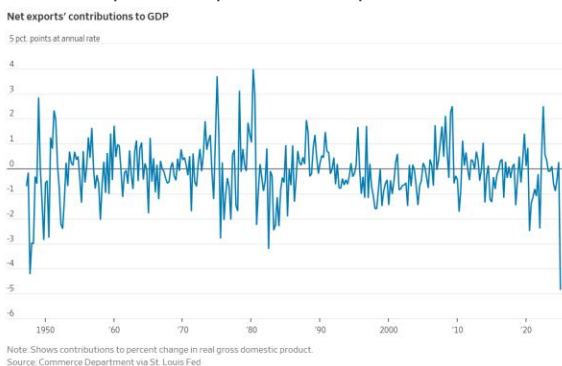
| Volatility | Level | March | April | YTD |
|---------------|-------|-------|-------|--------------|
| Euro Stoxx 50 | 22 | 18.89 | 1.47 | 23.60 |
| Nasdaq 100 | 25 | 13.50 | 10.86 | 39.42 |

| Cryptos (%) | Level | March | April | YTD |
|-------------|--------|--------|-------|---------------|
| Bitcoin | 94 581 | -2.13 | 14.75 | 3.49 |
| Ethereum | 1 795 | -18.19 | -1.37 | -45.02 |

Sources: Bloomberg, Norman K. - Data as of April 30th 2025. Past performance is not a reliable indication of future performance. Non-contractual information.

CHART OF THE MONTH

The considerable gap between US imports and exports in the first quarter 2025



April 2025: Markets Rebound Amid Tariffs and Geopolitical Tensions

In April, global markets were marked by high volatility, mainly due to the **announcement of substantial tariffs by the United States**. This was the biggest rise in nearly 100 years. After two weeks of losses, the market gradually returned to an almost normal situation, firstly in the **hope of a easing of trade tensions**, but also thanks to the **record 1st-quarter results published by leading US companies**. Most stock market indices have almost already made up their losses. How markets evolve over the coming months will depend mainly on whether the easing phase continues.

European and emerging-market equities are still outperforming their US counterparts, while sector and geographic rotation is taking hold, which should benefit a wider range of sectors.

Despite the contraction in US GDP in Q1, **the labor market is proving resilient and inflation remains stable**, prompting the Fed to maintain the status quo. The decorelation of rate-cutting cycles between the Fed and the ECB is therefore set to increase. In fact, the ECB has decided on a third 25-bp rate cut in 2025.

In addition, **volatility could persist** against a backdrop of new announcements from the Trump administration and **potential geopolitical tensions**. A situation which is difficult to predict, but which could nonetheless generate interesting opportunities on the equity markets.

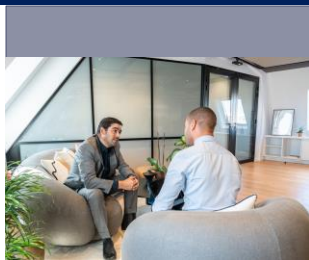
NK VIEW

We remain **neutral on equities**, but April's high volatility enabled us to sell some bonds that had performed well in favor of shares of companies with solid fundamentals whose value had fallen, which proved beneficial for our portfolios.

In terms of **income strategies** (bonds, structured products, and private debt), the anticipated rate cuts could create **attractive opportunities**. Bonds remain compelling due to favourable yields and we do not hesitate to **take profits on well-performing bonds** to reallocate into equities that align with our convictions.

The **private debt market** continues to expand, especially in **real estate financing**, as market participants aim to capitalise on falling rates.

We continue to seek **decorelation and diversification in the pre-IPO segment**, even though some players may postpone their listing due to geopolitical uncertainties.



WHICH OPPORTUNITIES IN THIS CONTEXT?



Market volatility



- In-depth analysis and selectivity
- Opportunities in fundamentally strong stocks



Upcoming rate cuts /
geopolitical uncertainty



- Anticipate impacts on portfolios
- Currency diversification
- Real estate deals opportunities



Weaker macroeconomic
environment



- Alternative investments
- Pre-IPO segment / private debt

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