

Weekly Newsletter

April 18th, 2025

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Musings

"In the oil business, everything is uncertain. What is true today may not be true tomorrow."

—Ahmed Zaki Yamani, former Saudi Oil Minister

Last week in the markets

	Closing level	Weekly change	YTD change
S&P 500	5,282.69	-1.50%	-10.18%
Nasdaq Composite	16,286.45	-2.62%	-15.66%
10Y UST Yield	4.333	-3.65%	-5.25%
Crude oil	64.01	4.08%	-10.75%
Gold	3,327.38	2.76%	26.79%
DXY	99.23	-0.55%	-8.53%
USD/INR	85.41	-0.87%	-0.14%
Euro STOXX 50	4,933.90	1.31%	1.57%
India (Nifty)	23,851.65	4.48%	0.87%
Japan (Nikkei)	34,730.28	3.41%	-12.94%
China (CSI 300)	3,772.52	0.59%	-4.13%
Saudi (TASI)	11,552.98	0.44%	-4.02%
Abu Dhabi (ADX)	9,277.65	1.31%	-1.50%
Dubai (DFM)	5,096.95	2.64%	-1.20%

News from the markets

U.S. Stocks drifted lower on the week.

Reports of U.S. investigations into pharmaceutical and semiconductor imports heightened fears of further trade barriers. This tempered market optimism from the tariff pause, contributing to choppy trading in tech and healthcare sectors.

The University of Michigan Consumer Sentiment Index fell to 50.8 in April, missing forecasts of 54.0, reflecting tariff-related uncertainty. One-year inflation expectations surged to 6.7%, the highest since 1981, pressuring markets and raising concerns about consumer spending.

Boston Fed President Susan Collins and New York Fed President John Williams reassured investors that the Fed was prepared to maintain market stability and prevent stagflation.

Meanwhile, BlackRock extended its tactical investment horizon to 6–12 months, dialing up risk after the U.S. announced a 90-day tariff pause on most countries and exemptions for key tech imports.

First-quarter earnings from major U.S. banks (e.g., JPMorgan, Goldman Sachs) exceeded expectations due to strong trading revenue, but analysts projected only 7% S&P 500 earnings growth for Q1 and 10% for 2025, potentially optimistic given tariff impacts.

UnitedHealth lost more than 22%, shaving nearly \$120 billion off its market value, its biggest one-day selloff since 1998. The country's largest insurer by market value fell far short of expectations with its quarterly earnings. The industry bellwether pointed to rising medical costs in its plans for older adults – and what it termed as “unanticipated changes” in its Optum health services subsidiary that was viewed as the growth engine of the conglomerate's business.

Netflix posted a major earnings beat Thursday, as revenue grew 13% during the first quarter of 2025. The streamer attributed its better-than-expected revenue to higher-than-forecast subscription and advertising dollars. Shares gained about 2% in extended trading.

Nvidia said it will take a \$5.5 billion financial hit after Washington placed fresh restrictions on the export of its H20 artificial intelligence chips to China, in the latest escalation of a growing battle for AI dominance. The export restrictions on Nvidia come as President Donald Trump's tariffs are roiling global markets and raising concerns about the prospects for global economic growth. Shares ended the week 5.85% lower.

In a potentially significant move, **Donald Trump ratcheted up his criticism against Federal Reserve Chair Jerome Powell**, saying claiming he is always “too late and wrong”, and adding that his termination cannot come fast enough. Trump noted that the ECB is preparing to cut interest rates for the seventh time, while the Federal Reserve has yet to take similar action, considering this a delay in responding to current economic data.

Treasury yields retreated slightly, as it appears that the immediate trigger for the sudden spike in yields and volatility has been addressed for now.

Oil prices extended gains on the prospect of tighter supply after Washington imposed further sanctions to curb Iranian oil trade and as some OPEC producers pledged further output cuts to compensate for pumping above agreed quotas.

Anticipation of a late-April Communist Party Politburo meeting grew in China, with investors expecting significant fiscal stimulus to counter U.S. tariffs. Chinese markets (CSI 300, Hang Seng) saw modest gains, though global uncertainty limited upside.

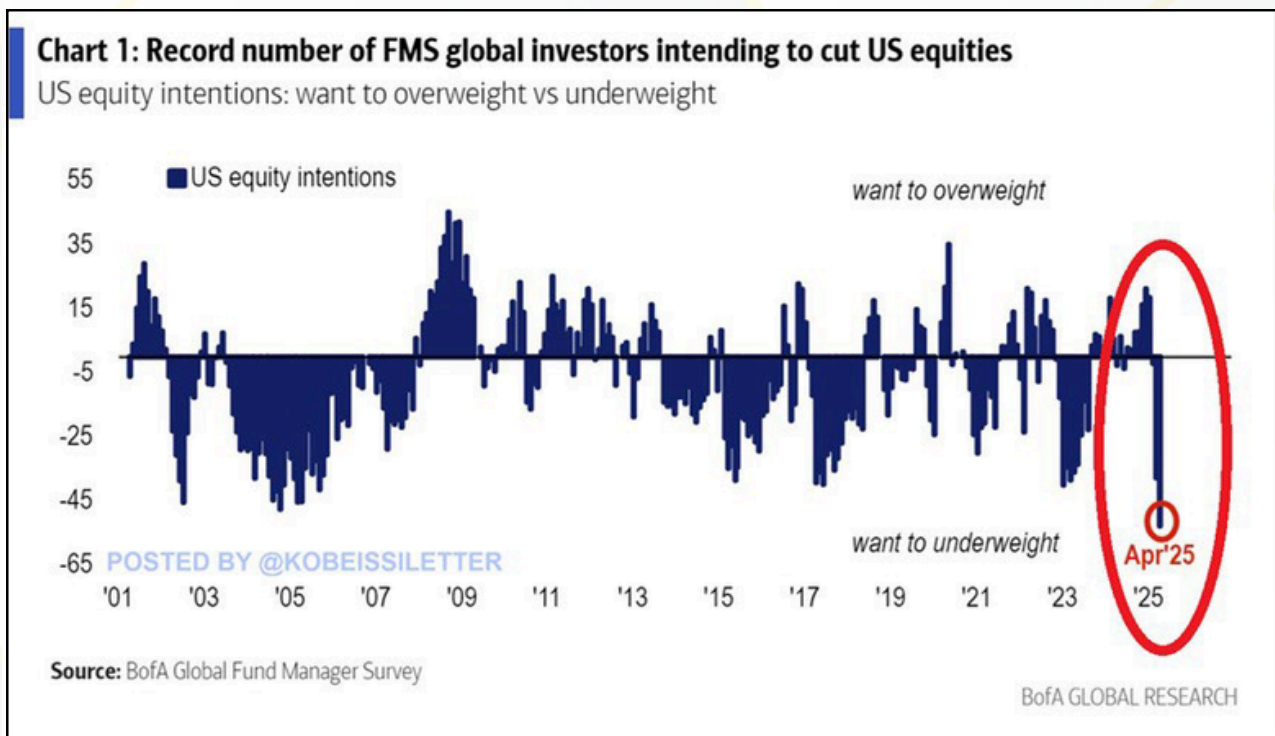
The UK's financial regulator abandoned a proposed collateral rule for banks, seen as a response to global trade tensions. The move aimed to enhance liquidity and stabilize UK markets and boosted European financial stocks.

In India, benchmark indices witnessed a strong rally amid firm global cues and sustained foreign fund inflows. Banking stocks were the standout performers, rallying on easing CPI data and a normal monsoon forecast, which boosted hopes of a deeper rate cut cycle by the Reserve Bank of India. Sentiment was also boosted by US President Donald Trump's announcement that tariff exemptions for smartphones and computers and signaled a possible pause on auto tariffs, which boosted sentiments.

Key economic events coming this week

April 14th	<ul style="list-style-type: none"> • UK, EU, Hong Kong Markets Holiday (Easter) • Reliance Industries earnings
April 15th	<ul style="list-style-type: none"> • US 2-Year Note Auction • Tesla, SAP earnings
April 16th	<ul style="list-style-type: none"> • US PMI (Apr) • US New Home Sales (Mar) • US 5-Year Note Auction • EU PMI (Apr) • Boeing, AT&T, Vertiv, Bajaj Auto earnings
April 17th	<ul style="list-style-type: none"> • US Initial Jobless Claims • US Existing Home Sales (Mar) • US 7-Year Note Auction • American Airlines, Pepsi, Alphabet, Intel, SK Hynix earnings
April 18th	<ul style="list-style-type: none"> • Schlumberger, BYD earnings

Chart of the Week



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