

Dear clients, Dear readers,

Donald Trump took office on 20 January and is clearly in fine form!

We seem to be witnessing a shift in the form of his power.

He is putting his money where his mouth is and seems even bolder than during his first term in 2017.

The trade war with Mexico, Canada and China has formally begun; the trade war with Europe is on the cards.

So far, the European markets have performed well and are clearly outperforming the US stock markets (for once). Even if the eurozone economy is a little sluggish, company earnings for the fourth quarter of 2024 are fairly reassuring.

The European Central Bank is likely to continue cutting its key rates, at least while inflation remains under control.

The US economy remains robust at present, although there are signs of a slowdown.

Confidence indices are gradually deteriorating; Trump has a lot to do with this!

The Chinese economy remains below its potential, and the authorities are increasingly determined to do what it takes to speed up the rebound and support domestic consumption, particularly against the backdrop of the trade war.

Recent history has shown that geopolitics has little lasting influence on markets.

Things are a little different with Trump!

He is affecting the world's geopolitical balance by giving the impression of supporting Russia almost unconditionally in the conflict with Ukraine and forcing Zelensky to accept - without discussion - the terms of his deal, which combines a very vague peace plan with the exploitation of Ukraine's mineral resources.

He is also influencing the global economy with his protectionist policies.

Trade wars have always been a losing proposition for all parties involved, including the United States.

Donald Trump often does what he says, but his obsession with succeeding in what he does leaves scope for the conflict to be short-lived.

Initially, the tariff increases decreed by the United States will lead to retaliatory measures from the countries targeted.

In a second phase, diplomacy should intervene to find compromises that will enable Trump to make deals that are acceptable to both his voters and the country's trading partners, who are momentarily seen as adversaries.

The irony of the tensions between Donald Trump's team and Europe via Zelensky is that it will encourage Europe to stop dragging its feet on the urgent need to rearm and distance itself a little from its American 'big brother' and rival.



Against this backdrop, we had already focused on diversifying our investments, both in terms of sectors and asset classes.

We have been careful to limit our exposure to the 'Magnificent 7' (the 7 largest US technology companies Alphabet, Amazon, Meta, Nvidia, Microsoft, Apple and Tesla) and are maintaining our exposure to the arms theme, especially in Europe.

Performance of the main markets in 2025

	February 2025	1 January to 28 February 2025
EURO STOXX 50	3.34%	11.59%
STOXX Europe 600	3.27%	9.77%
BEL 20	2.18%	3.66%
S&P 500	-1.42%	1.24%
S&P 500 Equal Weight	-0.58%	2.82%
NASDAQ 100	-2.76%	-0.61%
NIKKEI 225	-6.11%	-6.87%
HANG SENG	13.43%	14.36%
MSCI EMERGING	0.35%	2.02%
MSCI WORLD	-0.81%	2.63%

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