Dear clients, Dear readers,

Observation of the financial markets has taught us that geopolitical events have little influence on the markets, except in the very short term.
On the other hand, they are greatly affected by economic fundamentals and investor expectations regarding corporate earnings and economic developments.
This time, and it would appear to be a first, every statement, every communication, every sentence, even every word, spoken by the president of a major power, in this case Donald Trump, gives rise to such sensitive interpretations by investors that they seem to set the tone for stock market movements far more than economic fundamentals.

The American president had been clear: he was going to trigger a trade war by drastically raising customs tariffs to supposedly right a great injustice! The United States' partners are not "nice"; they shamelessly export their goods and stubbornly fail to buy enough American products—despite their high quality, such as cars, for example.
According to Trump, it is time to reindustrialise the United States and bring production back home, just like in the past!
Partners only have to set up their factories in America if they want to sell their products to American consumers!
It's so simple, why didn't we think of it before?

The reindustrialisation of the United States is not a foolish idea in itself, but it cannot happen within a few weeks or months.
Furthermore, how can the expulsion of migrants who are paid much less than Americans be combined with a dramatic increase in local production without risking inflation?

Donald Trump announced tariff increases of 15%, 20%, 25%, 30%, 35% and 50% (with "Liberation Day" on 2 April) for certain products and countries, rising to 145% in his escalating trade war with China.
The stock markets, led by the United States, temporarily took a dive before Trump softened his stance and announced a three-month moratorium on all trading partners except China.
We then saw some superb stock market rallies, which ultimately limited the damage in April.

While US inflation has fortunately not spiralled out of control so far (partly thanks to lower oil prices), a prolonged trade war would inevitably push prices up. US household consumption would decline and an economic recession would be inevitable. We are not there yet, even if several economic indicators seem to confirm a certain slowdown.

Donald Trump seems convinced that he will succeed in striking "tremendous" new trade deals with US partners; deals that will ultimately enable the United States to become a great power once again: wealthy and proud.
The US dollar has weakened by more than 10% against the Euro since the beginning of the year, improving the competitiveness of American exporting companies.
Gold has reached historic highs, fulfilling its role as a safe haven asset.

Between Donald Trump's belligerent and aggressive declarations and his determination to win his bet, there may be a middle path that restores investors' confidence.
The announcement of the first concrete trade agreements could calm the situation.

We will monitor developments in US domestic consumption closely and may adjust our exposure to the US market accordingly.

Performance of the main markets in 2025

	April 2025	2025 YTD
EURO STOXX 50	-1.68%	5.40%
STOXX Europe 600	-1.21%	3.91%
BEL 20	2.17%	3.87%
S&P 500	-0.76%	-5.31%
S&P 500 Equal Weight	-2.36%	-3.48%
NASDAQ 100	1.52%	-6.86%
NIKKEI 225	1.20%	-9.65%
HANG SENG	-4.33%	10.27%
MSCI EMERGING	1.04%	3.47%
MSCI WORLD	0.74%	-1.41%

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