



# The Premier Partnership Limited

## Your Family Office



We have always said that markets are no respecters of the Gregorian calendar, but here we go again at the end of the year with values again at or near record highs. When we look back to this publication 12 months ago, and the review of 2024, my opening words were very similar, and whilst we do not make predictions, we did state that 2025 would also be a positive year for markets - but somewhere along the way we would have a market correction of 10% or more. Anyone remember April and the Trump tariff reaction (markets down 16% on average)? Well expect more volatility this year coming. The pivotal moments in 2026 will come not from depressed company earnings, or mega economic shocks - but from the political arena.

US politics in particular became largely unpredictable over the last 12 months and 2026 will see more of the same. Early key points are the US Supreme Courts ruling on the legality of Trumps tariffs. Trump of course owns the Supreme Court, but it will be interesting to see how they vote. Various trade deals with the US are up for negotiation, including US/Mexico. Jay Powell, Chairman of the Federal Reserve retires in May 2026. Trump dislikes his 'independence' from the executive, and will look to put his own puppet in the chair come May.

It will be the 250th anniversary of American Independence, and Trump will turn 80. There will be mid-term elections in November. These elections will determine what power Trump can wield over his remaining term as President.

In Britain, the May local elections may determine the fate of the Starmer/Reeves axis - but be careful what you wish for as the joining of Rayner/Miliband sounds very much worse to me.

The attempts to end the conflicts in Ukraine and the Middle east will continue, but it is not beyond the wit of man to believe we will still be writing about those particular political issues in 12 months time.

However, against this political backdrop the IMF is forecasting global GDP growth of just over 3% in 2026, up from 2.3% forecasts for 2025. The Pound is set for its strongest year since 2017 and the FTSE 100 posted its best year since 2009. Gold and silver both reached new highs. Expectations for lower interest rates in the UK become somewhat muted and we now only expect one further cut in 2026 to 3.5% (3.75%), and not the two cuts as largely predicted. This is down to expectations of higher inflation coming through which is blatantly refusing to get down to the Bank of England's target rate of 2%. It would not surprise us at all if instead of a cut we see a hike in UK rates, as more bad news on growth and jobs could mean a more cautionary stance.

# Investment Report

In markets the S+P 500 Index was expected to shine, and shine it did - up over 17% in the last 12 months, defying persistent tariff fuelled angst. Expectations for US economic growth are good, with tax cuts, fiscal stimulus, a good labour market, AI productivity gains and deregulation all helping the US economy to grow. (Starmer/Reeves take note). Many predicted economic calamity on the back of Trumps tariffs, but again as we wrote last year, global investors cannot get into the 'Trump Mind' and so largely choose to ignore the vagaries of that space. We said his tax cuts 'One big beautiful bill' would work - as they did in Trump 1.0 - and working they are.

Again Starmer/Reeves take note on the effect of tax cuts. Markets have posted positive returns for the last three years, and there is no reason why it cannot become four years on the trot at the end of 2026. Expect volatility and corrections along the way (technically a correction is a fall of 10%-20%), as they

will come. The global trading system of markets is resilient, even in the face of a now (seemingly) stable tariff rate on average of 10% in the US, for all trading partners. If it stays at that the economy can live with it, even if that rate is the highest since the end of the Second World War. Although the US markets were strong in 2025, they were eclipsed by the rest of the world, which as measured by the MSCI World Index (without the USA) showed a gain of 29%, its best year since 2009. As you know, we strongly believe in global diversity in investing your portfolios, and that ongoing strategy will continue to be our mantra in 2026. 2025 has been good, and there are good hopes for 2026.

May we all take this opportunity to thank you for your relationship with us during 2025, and we will continue to be of service to you in 2026.

**Happy New Year**

**Until Next Time.....**

## Global Stock Market Performance 2025

Market	Index	31 December 2024	31 December 2025	Percentage Performance Year to date
USA	Dow Jones	42511.43	48200.76	+13.38
	NASDAQ	19424.10	23352.83	+20.23
	S&P 500	5894.01	6875.22	+16.65
UK	FTSE 100	8173.02	9931.38	+21.51
France	CAC 40	7380.74	8149.50	+10.42
Germany	Xetra Dax	19909.14	24490.41	+23.01
Italy	FTSE MIB	34186.18	44944.54	+31.47
Spain	IBEX 35	11595.00	17307.80	+49.27
Switzerland	SMI	11600.90	13267.48	+14.37
Japan	Nikkei 225	39894.54	50339.48	+26.18
Hong Kong	Hang Seng	20059.95	25630.54	+27.77
China	Shanghai Composite	3351.76	3968.84	+18.41
India	Sensex 30	78139.01	85220.60	+9.06

Data provided by Morningstar

Please remember that past performance is not a guide to future performance. The value of investments and the income from them can go down as well as up and investors may not get back any of the amount originally invested. Exchange rate changes may cause the value of overseas investments to rise or fall.

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