



## Asset Class Movements (%)

		WTD	MTD	QTD	YTD	1Y	3Y	5Y
EQUITY	UK	0.4	0.6	6.4	6.4	19.8	8.3	6.3
	US	0.2	0.0	3.6	3.6	24.6	16.7	15.3
	Europe ex UK	2.2	2.4	10.6	10.6	12.1	8.4	7.8
	Japan	-1.4	-1.0	1.3	1.3	6.8	7.0	5.5
	Emerging Markets	-0.5	0.7	2.3	2.3	11.9	2.9	4.3
FIXED INCOME	UK Gilts	0.0	0.5	1.4	1.4	1.2	-6.9	-5.4
	UK Inflation Linked	-0.3	0.2	1.5	1.5	-1.2	-13.5	-7.5
	UK Corporate	-0.1	0.4	1.5	1.5	4.9	-1.5	-1.7

Source: Morningstar returns to 14/02/2025. Equity returns in un-hedged in GBP terms. Fixed income returns are GBP-hedged.

## Market-moving events from last week

- **US Consumer Price Index (CPI).** In January, the U.S. headline CPI rose by 0.5% month-over-month and 3.0% year-over-year, indicating an acceleration from December's figures.
- **Trump's Tariffs.** The President introduced a plan for reciprocal tariffs that could be released on 1st April. Whilst not good news, the longer than expected delay was welcomed by markets. Tariff rhetoric feels slightly softer than worst-case fears and this is feeding into a sharp rally for regions most impacted. Chinese and European (ex UK) equities are up over 10% YTD!
- **UK Gross Domestic Product (GDP).** The UK economy grew 0.4% in December, faster than the 0.1% expected, fuelled robust performance in the services (in particular pub visits!) and manufacturing sectors. This will have been welcome news to Starmer and Reeves, but before we get ahead of ourselves, GDP *per capita* still shrank.

## What should I look out for this week?

- **UK Labour Market Report** on Tuesday
- **UK Inflation Report** on Wednesday
- **FOMC Minutes** on Wednesday
- **UK Retail Sales** on Friday
- **PMIs** for UK, Eurozone and the US on Friday

## Industry-specific events from last week

- PIMFA's 'Under 40 Leadership Committee Report' argues that lowering fees does not necessarily equate to adding value, as the reduction in fee may result in a lower quality product. This is a view I have sympathy for. It is vital to understand the value you receive for the fee you pay, which is a key reason I developed my MPS Analysis Service.
- According to the FCA, the number of advisers in the UK has jumped around 15% in the last year. However, consolidation continues with the number of firms falling -6%.

## This week's fun fact

The term "blue-chip" stocks comes from poker, where the highest-value chips are blue.





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