

Six Minute Strategy

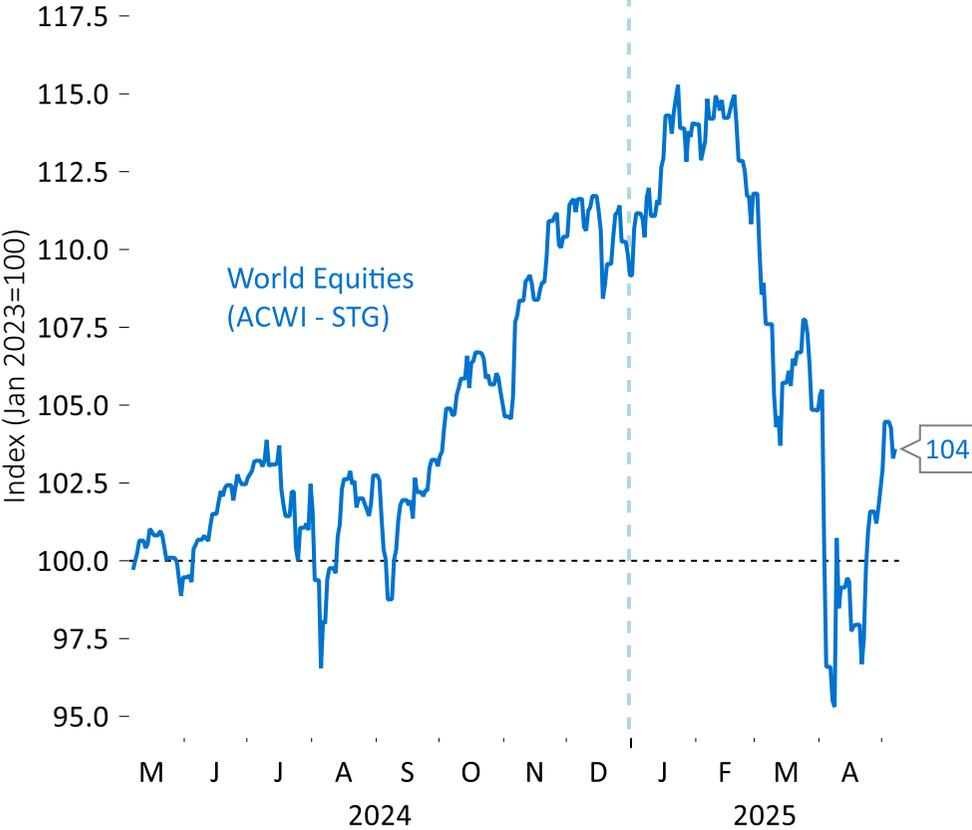
The ever-changing tariff agenda

8 May 2025



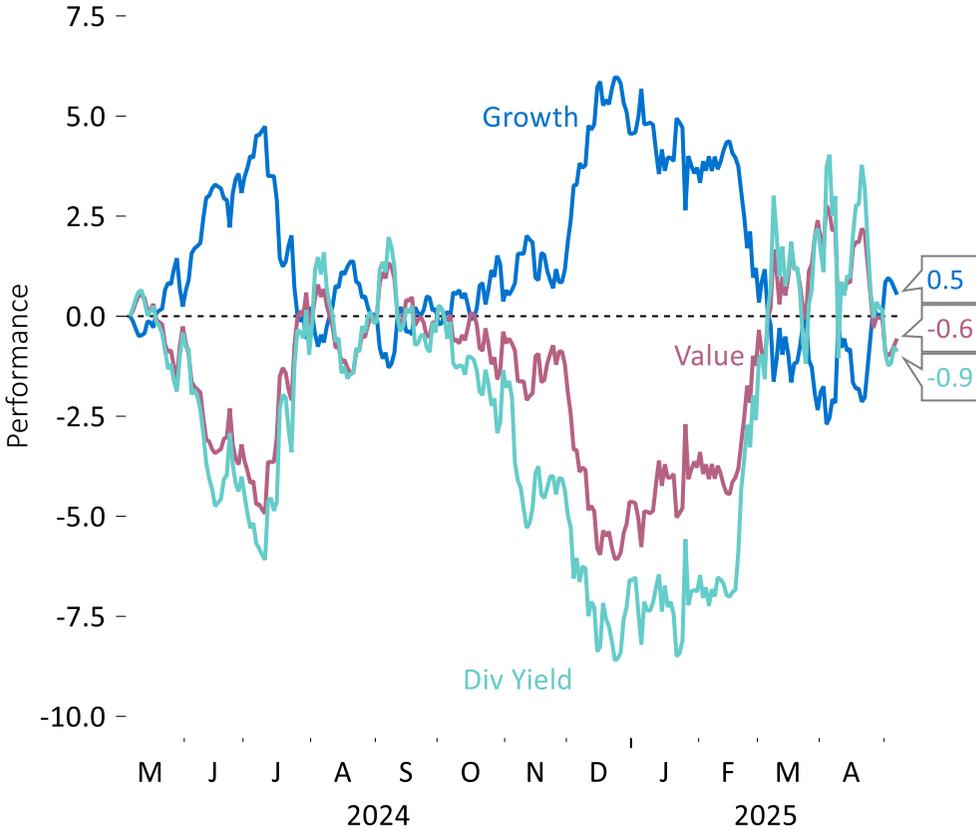
Global equity sell-off and recovery

 World equity markets rally after 90-day pause in tariffs



Source: Macrobond, 08.05.25

 Equity style volatile but little changed over 1 year (MSCI)



Source: Macrobond, 08.05.25

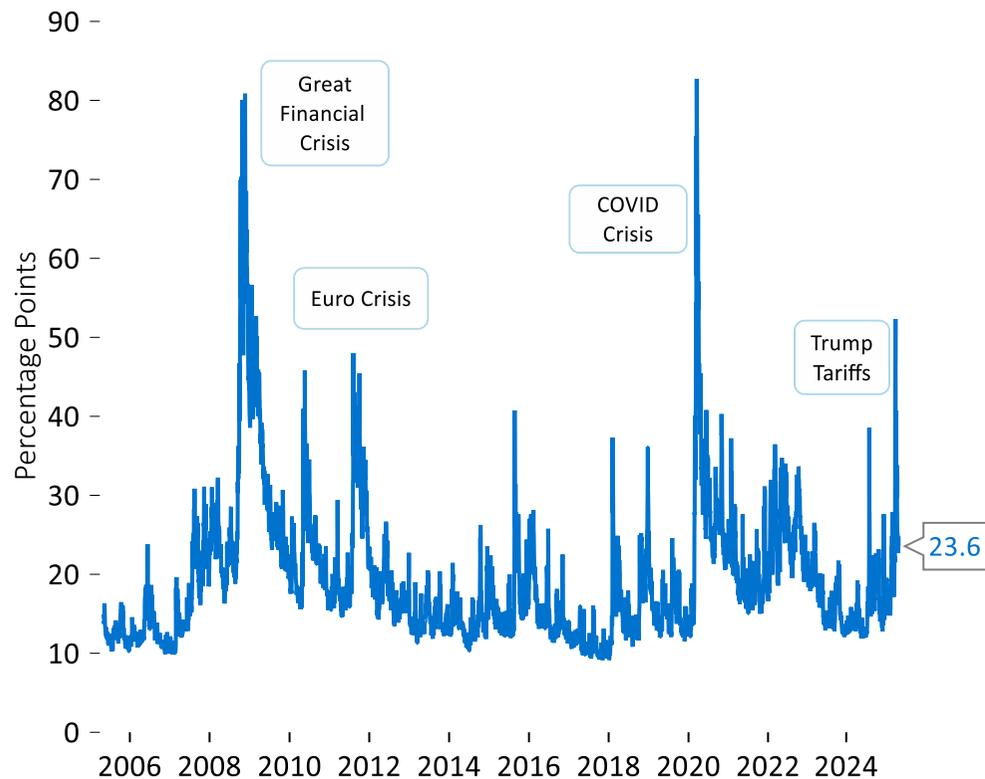
Past performance is not a reliable indicator of future results and may not be repeated.

Equity volatility and other assets



Equity volatility reached levels close to Euro Crisis

US Equity Volatility Indices (VIX), Close



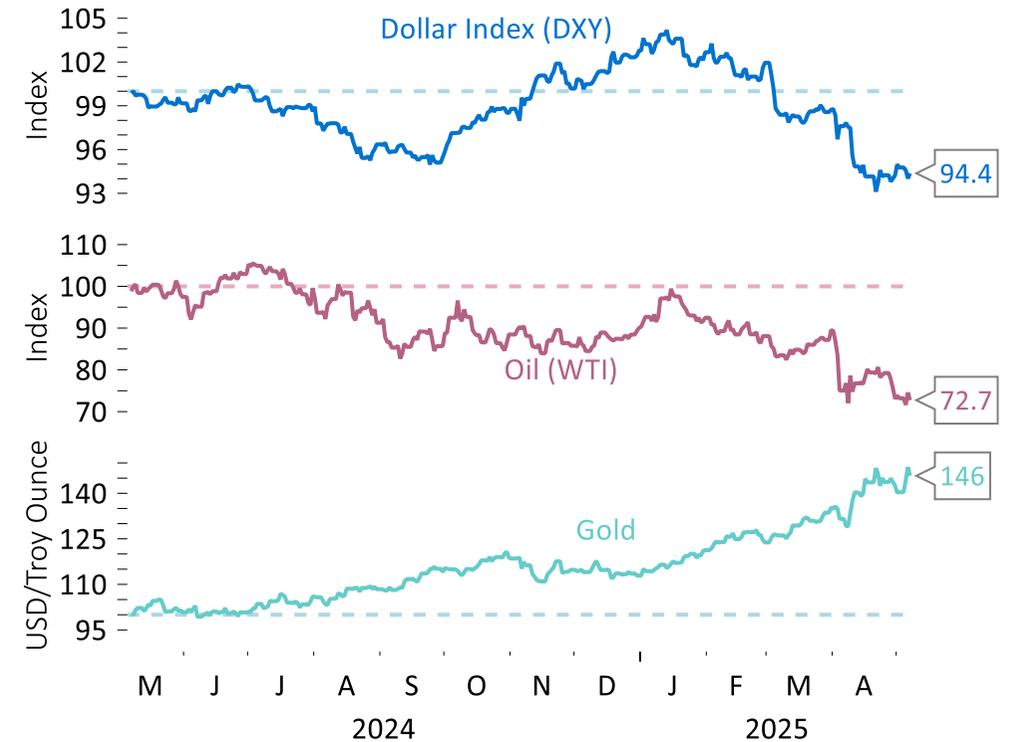
Source: Macrobond, 08.05.25



Gold – the best diversifier

One year asset class performance

1Yr ago = 100



Source: Macrobond, 08.05.25

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Steady expansion of White House tariff agenda

What can an end game look like?

Region–country	Possible tariff outcomes
Canada, Mexico	USMCA Compliant 0% - otherwise 25%
UK, India, Australia, Latam, Japan, South Korea, Taiwan	0 – 10%
EU, China proxies (Vietnam, Cambodia, Malaysia)	10 – 20%
China	50% – 60%
Pharma, semi-conductor, autos, consumer electronics	Sector specific

Other implications:

- 1. Volatility will remain high:** Trump policy always fluid
- 2. US dollar depreciation:** How far could the Dollar fall?
- 3. Lower growth/higher inflation:** long-term impact of tariffs?
- 4. End of multilateralism:** Great Power Competition – Trump the peacemaker?

*USMCA = United States-Mexico-Canada Agreement
Source: Sarasin & Partners, April 2025

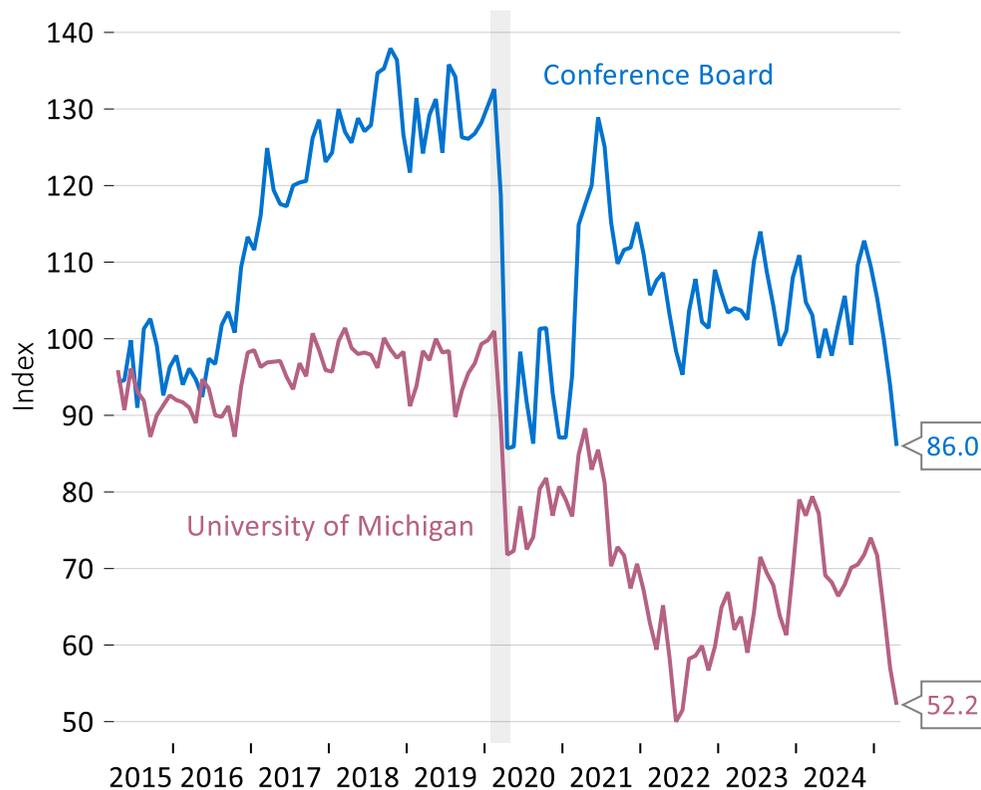
US consumer confidence and inflation

Tariff impact beginning to factored into confidence & inflation expectations



Consumer confidence weakening

Consumer Confidence

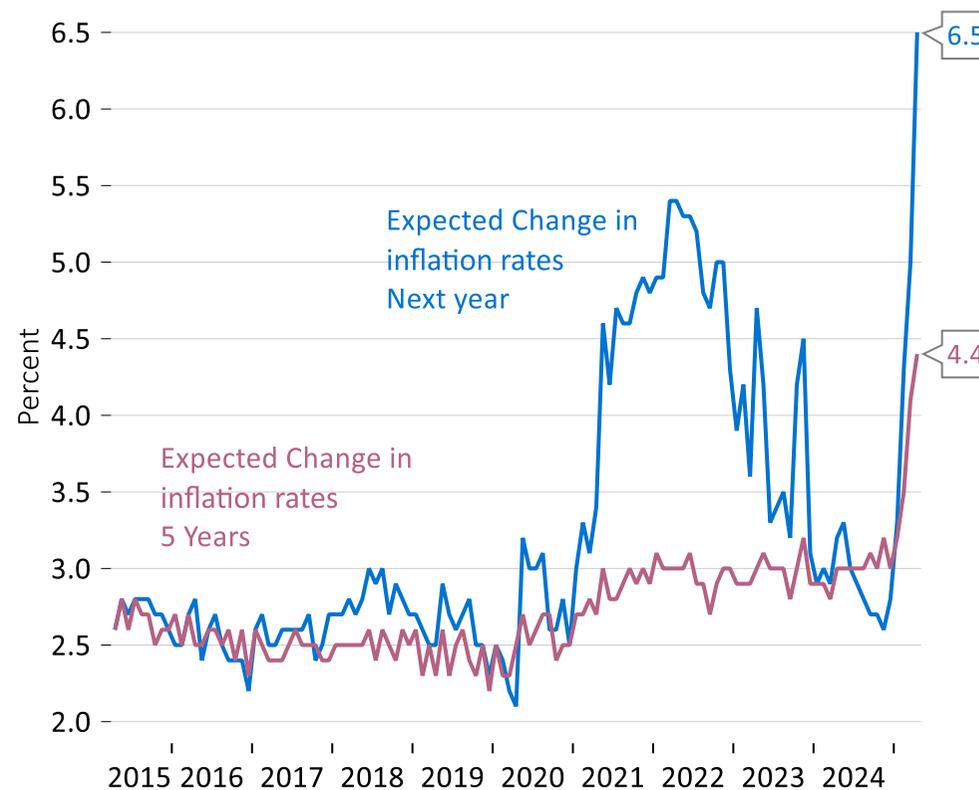


Source: Macrobond, 08.05.25



Fed concerned about rising inflation expectations

University of Michigan survey



Source: Macrobond, 08.05.25

UK rates fall while Chair Powell pauses

“You’ve still got an economy that's growing at a solid pace...we are in a good position to wait and see.” Chairman Powell 08/05/25

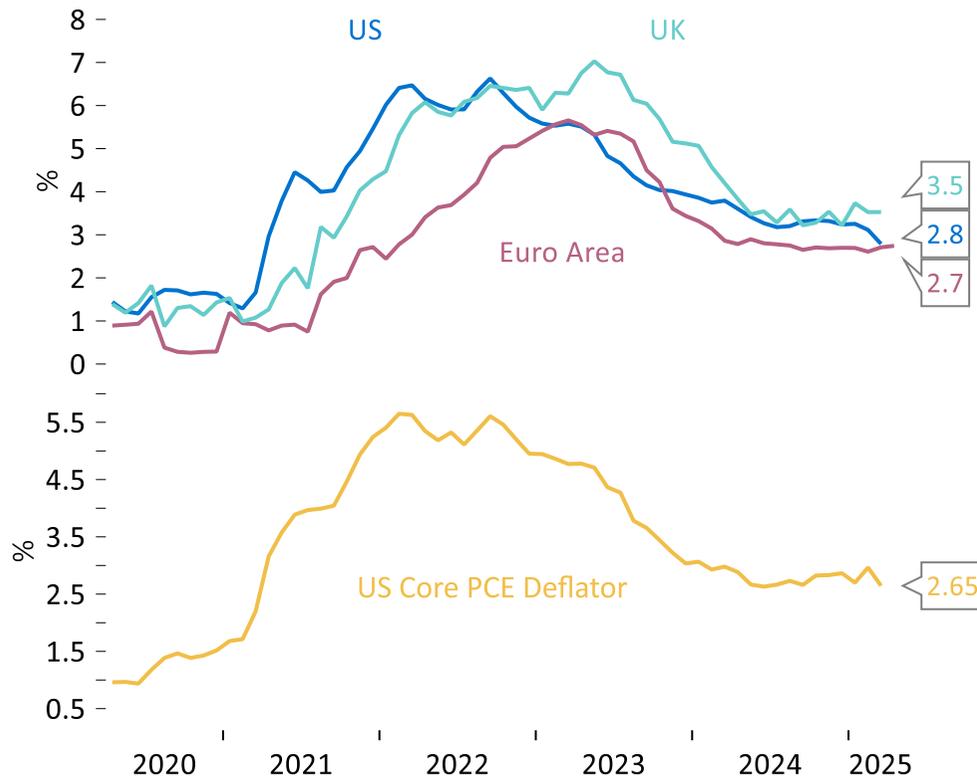


Core inflation remains sticky globally



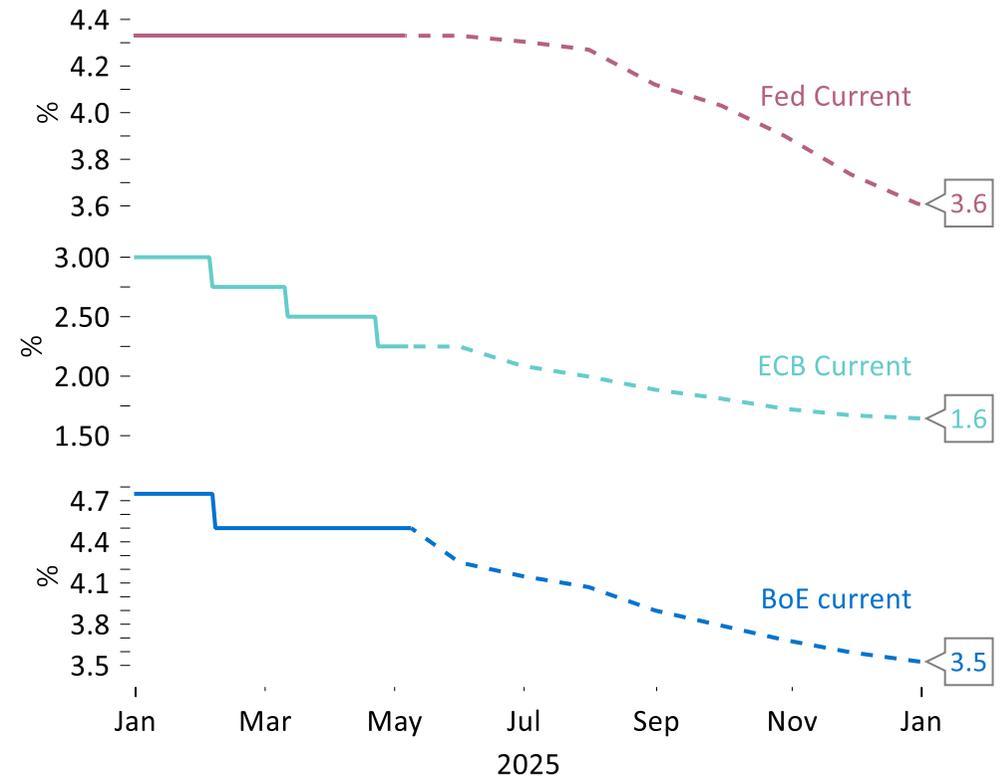
Market expects further rate cuts despite sticky inflation

Core Inflation



Source: Macrobond, 08.05.25

Central Bank Market Implied Policy Rates



Source: Macrobond, 08.05.25

Rates today:

Fed Funds: 4.25–4.50%; ECB Deposit Rate: 2.25%; UK base rate 4.25%

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SARASIN & PARTNERS

Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

T: +44 (0) 20 7038 7000
www.sarasinandpartners.com

