WEEKLY BULLETIN

April 2025: Issue #3

Quote of the Week.

"In many ways, the stock market is like the weather, in that if you don't like the current conditions all you have to do is wait a while – Lou Simpson, former CIO of GEICO"

US Markets: Tariff pause offers tactical window

With a 90-day pause in Trump's new tariffs, the US market is gradually shifting focus from geopolitical risk to corporate earnings. Recent import data shows US businesses are stockpiling goods ahead of the July 3rd tariff restart—delaying the full economic impact until August or September. This creates a tactical window to assess how companies are repositioning.

Wall Street is now trying to separate winners from losers under the new tariff regime. One clear casualty has been the Magnificent Seven—the dominant tech giants—whose collective market cap has dropped over $3.4 trillion since their late 2024 peak, including $2 trillion lost after Trump's tariff announcement. While the options market may have trapped some bullish speculators, names with lower leverage could soon find a consolidation base.

Investor attention is now turning to Q1 earnings, where expectations for beats remain high, but forward guidance—particularly from companies exposed to global supply chains or discretionary spending—will be under the spotlight.

Asia Pacific Markets: Stabilizing but still cautious

Asia-Pacific markets found brief stability after weeks of volatility. The tariff pause offers relief, especially for export-heavy economies, though underlying sentiment remains cautious. The region is closely watching for policy shifts—particularly from China, Japan, and South Korea—as they reassess global trade strategies.

Strategic View:

The broader question lingers: Could this US-China tariff battle reshape global trade routes? If China restricts exports of critical goods, Washington may be compelled to ease tariffs on other nations to avoid a supply chain crunch. Once unthinkable, this realignment now feels increasingly plausible—and could accelerate shifts in global economic power centres.

The recent wave of market downgrades, corporate warnings, and political pushback suggests that the current tariff regime may not be sustainable. If business pressure continues to mount, a recalibration or rollback of global tariffs—especially beyond China—could emerge as a politically viable solution.

Such a reversal would likely be a strong tailwind for both US and global equity markets, unlocking supply chains and reviving investor confidence at a time when economic clarity is sorely needed.

Last Week 's Notable Events.

US Economy/Politics

- Trump predicts trade deal with China, vows 100% chance of EU agreement – 17th Apr
- Trump and Italy's Meloni talk up EU tariff deal hopes – 18th Apr
- Boeing jet returns to US from China, a victim of Trump's tariff war.- 20th Apr

Europe Economy/Politics

- UK employment fell most since pandemic ahead of tax hike – 15th Apr
- ECB cuts interest rates to 2.25% as tariffs threaten the economy – 17th Apr
- Indonesia seeks stronger trade ties with EU, Australia to offset potential US export losses – 19th Apr
- London's millionaire exodus 'same as losing 1.5 million taxpayers – 20th Apr

Asia Pacific Economy/Equity

- Vietnam tells China it's open to joining BRICS – 16th Apr
- Nvidia CEO calls China a key market on Beijing visit as US bans H20 chips – 17th Apr
- Alibaba's AI cancer detection tool clears FDA hurdle for faster approval process – 20th Apr
- South Korea uncovers rise in Chinese goods relabelled for US tariff evasion – 21st Apr

Weekly Data Monitor

Weekly chart:

- S&P500 weekly losses narrowed compared to the sharp drop earlier this month.
- Regional equities attract flows as investors seek safe haven stability amid tariff chaos in the west.
- Gold strengthen further as Trump's tariff path adds to global risk sentiment.

Note: The chart shows normalised weekly highs and lows for the Indicator, BLUE being the LATEST.

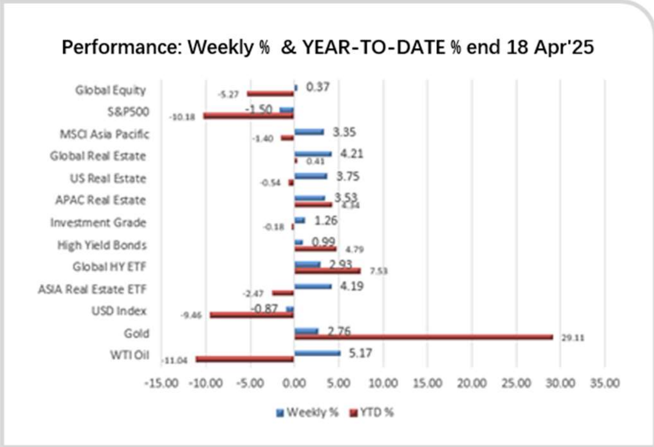
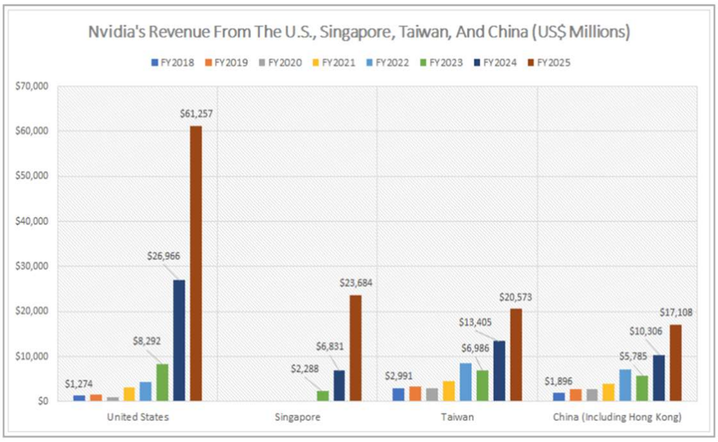


Chart of the Week: Nvidia revenue streams



Despite escalating US-China tensions, Nvidia CEO Jensen Huang's surprise visit to China last week signals just how critical the Chinese market remains to Nvidia's long-term growth. The chart clearly shows that while the US remains Nvidia's top revenue source, the combined Asia region—particularly Taiwan, China, and Singapore—contributed over $43 billion in FY2025, or more than 40% of total global revenues.

China alone (including Hong Kong) accounted for $17.1 billion in FY2025, up from just $5.8 billion two years prior—nearly a 200% jump.

This growth is especially significant amid a trade war backdrop and shows that Chinese demand for high-end computing chips is both resilient and rapidly expanding.

Huang's visit isn't just symbolic—it reflects a strategic imperative. Nvidia's leadership in AI and GPU computing depends on maintaining access to massive, tech-savvy customer bases with deep pockets and world-class infrastructure. China, despite geopolitical frictions, fits that bill.

Key Takeaway:

Nvidia's revenue footprint reveals a strong linkage to the Asia-Pacific region, particularly China. Attempts to isolate China from the global semiconductor supply chain could backfire by accelerating China's push for domestic chip alternatives—posing a long-term risk to US tech dominance. Nvidia's move to reinforce ties may be essential to preserving its global leadership. As long as there is continuous sale to China, Nvidia shares remain on the buy list.