

HIGHLIGHTS

Market Review

- ❖ April 2025 was a tumultuous month for markets, triggered by Trump's announcement of reciprocal tariffs that triggered a massive selloff in risk assets.
- ❖ Calm returned to markets after President Trump announced a 90-day pause in the reciprocal tariffs.
- ❖ S&P 500's April return of -0.7% may indicate a relatively uneventful month for equity markets but it was anything but ordinary. At its worst, the S&P 500 declined 11.2% intra-month before recovering.
- ❖ **April was a historic period, with the S&P 500's best single day since October 2008 and its worst since March 2020.**

Need to Remain Flexible and Agile

- ❖ We remind investors not to make decisions on a single outcome, such as on weakening soft data. Such indicators can be volatile and often revised when people – or President Trump – change their minds.
- ❖ President Trump's 'Liberation Day' tariff threats triggered a -11.2% intra-month drop in the S&P 500. But as quickly as the threats came, they were paused - at least for 90 days - allowing markets to recover most of their losses by the end of April.
- ❖ In this uncertain environment, the prudent approach is to stay flexible, avoiding concentrated bets on any single outcome and preparing for multiple scenarios.

Hard Data to Follow Weaker Soft Data?

Hard data = what *actually happened*
e.g. corporate earnings, labour market.

Soft data = based on *sentiment*
e.g. consumer or business confidence surveys.

- ❖ Key hard data points such as the US labour market and corporate earnings are still holding up - a good sign for the economy and markets. One concern is that they have not accounted for the impact of Trump's latest tariff threats.
- ❖ Weaker soft data, such as plunging consumer confidence, may indicate a more challenging period ahead.

Income Continues to Flow

- ❖ 'Liberation Day' volatility affected all asset classes. Even traditional safe-haven US government bonds were not spared in the past month, declining and rebounding with other risk assets.
- ❖ Amid the volatility, however, bond coupons continued to be generated, with no major corporate defaults in April. Income from equity dividends also kept flowing, with 94% of S&P 500 companies maintaining or raising payouts.
- ❖ Expect bouts of volatility ahead as Trump's tariff negotiations get underway. Our priority is to ensure that income streams are intact and continue to be paid out to our investors.

Read the full commentary [here](#)

