



## Global Markets

Global equities ended April slightly higher, contending with escalating trade tensions and diverging monetary policy signals. Volatility spiked early in the month following the Trump Administration's "Liberation Day" announcement, which imposed an average 22% tariff on all US imports, triggering swift retaliation from key trading partners. Although a partial reversal mid-month helped calm markets, investor sentiment remained fragile. Bonds rallied late in the month as yields pulled back from early highs, while commodities declined sharply on renewed global growth concerns.

Equity performance varied across regions and sectors. The Nasdaq Composite managed to close higher, supported by robust megacap tech earnings, while cyclical sectors dragged broader indices lower, including the S&P 500. In Europe, German and Spanish markets saw modest gains, but French and Swiss equities lagged. UK stocks declined amid weakness in energy and materials. In Asia, Japan posted modest advances, while emerging markets showed divergence with Chinese equities fell under the weight of tariffs, whereas Indian and Latin American markets rose on domestic resilience.

### Policy Reversals Offer Limited Relief

Investor focus remained locked on the US trade agenda, as the sharp escalation in tariffs, particularly a 125% levy on Chinese goods, sparked global market stress. US Treasuries sold off aggressively, with 10-year yields briefly surpassing 4.5%, the highest in decades. A weak Treasury auction and deteriorating sentiment prompted the administration to suspend most tariffs for 90 days (excluding China) and cancel additional automotive duties. Despite this rollback, confidence remained shaky. Many corporates retracted forward guidance, and US GDP contracted by -0.3% in Q1. Inflation moderated to 2.4%, but long-term inflation expectations surged to their highest since the early 1990s, underscoring persistent uncertainty around the macroeconomic outlook.

### Volatility Surges Across Asset Classes

Markets experienced pronounced swings, especially during mid-April when the S&P 500 plunged over 10% before rebounding on signs of policy easing. Earnings season added to the turbulence, with many companies highlighting tariff-related risks. While the Nasdaq gained strength in the tech sector, broader equities remained under pressure. Regionally, Germany and Spain outperformed within Europe, while China remained under geopolitical strain. In contrast, India and Latin America benefited from their perceived insulation from global trade dynamics.

Bond markets were equally turbulent. The US 10-year yield spiked before falling back as inflation data softened and trade rhetoric cooled. Investment-grade and sovereign bonds rallied, while high-yield underperformed due to widening credit spreads. The ECB's 25 bps rate cut buoyed eurozone debt, while UK gilts were stable ahead of expected easing. Commodities fell overall, oil and gas prices declined on demand and weather concerns, while gold surged above \$3,200/oz, driven by safe-haven flows amid elevated uncertainty.



## Regional Markets

### Saudi Arabia Strengthens Global AI Position

In April, Saudi Arabia was recognized in Stanford University's AI Index 2025 as one of the top global leaders in artificial intelligence. The Kingdom ranked first worldwide in empowering women in AI and placed among the top five countries in both AI job growth and the development of advanced AI models. These rankings underscore the impact of national strategies led by the Saudi Data and Artificial Intelligence Authority (SDAIA), which continues to expand training programs and infrastructure to advance Vision 2030 objectives. Initiatives such as the "Elevate" program, launched in collaboration with Google Cloud, further accelerated the inclusion of women in AI, contributing to the Kingdom's rapidly growing and globally competitive AI ecosystem.

### TASI Declines in April but Underlying Momentum Remains

Saudi Arabia's equity market declined in April, with the TASI index falling 2.9% to close at 11,672 points, driven by sectoral weakness in transportation, diversified financials, and energy. The drop was partly attributed to lower oil prices and subdued sentiment around global trade tensions. However, foreign investor participation remained steady, with qualified foreign investors increasing their ownership slightly to 10.35%. Trading activity was robust, with monthly traded value rising 16.1% month-on-month to SAR 126 billion. Notably, REITs such as Alistithmar posted strong gains, and telecom outperformed other sectors with a 4.8% increase. Despite the market correction, underlying economic indicators such as non-oil GDP growth, rising consumer spending, and steady IPO momentum continue to support the medium-term outlook.





## Global Market Indices

Global Data: As End Of:	30-Apr-25
Saudi Market Data: As End Of:	30-Apr-25

Region/sector	Index	Quote	MTD (%)	YTD (%)	1Y (%)	2Y (%)	3Y (%)	5Y (%)	10Y (%)	2022 (%)	2023 (%)	2024 (%)
World	DJIM World TR	10,333.49	0.4	(5.3)	6.8	12.9	9.0	12.0	9.8	(24.2)	27.0	18.0
Developed	DJIDEV TR	5,941.00	0.5	(5.7)	6.6	13.3	9.6	12.8	10.4	(24.2)	29.4	18.5
Emerging Markets	DJIEMG TR	5,193.76	0.2	(1.4)	9.0	9.1	2.4	4.6	4.6	(24.2)	6.4	13.3
Saudi	TASI	11,671.58	(2.9)	(3.0)	(5.8)	1.6	(5.3)	10.8	1.8	(6.4)	14.2	0.6
NAREIT	All REITS (EM Inc) TR	3,057.41	1.3	2.9	12.1	5.7	(1.4)	5.0	2.8	(23.6)	9.8	1.6
GSCI	All Commodities	518.15	(8.8)	(5.7)	(11.6)	(4.2)	(11.9)	15.1	1.5	8.7	(12.2)	2.6
Currencies	Euro	1.13	4.7	9.4	6.2	1.4	2.4	0.7	0.1	(5.8)	3.1	(6.2)
	Yen	143.07	4.8	9.9	10.3	(2.4)	(3.2)	(5.6)	(1.8)	(12.2)	(7.0)	(10.3)
	GBP	1.33	3.2	6.5	6.7	3.0	2.0	3.2	1.2	(10.7)	5.4	(1.7)

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