Quarterly Market Commentary

First Quarter 2025

The only certainty is uncertainty.

- Global equity markets, as measured by the MSCI ACWI Index, posted modest losses for the first quarter of 2025. Positive returns in most global markets were offset by a downturn in the U.S. attributable to concerns about the impact of tariffs on imported goods imposed by the administration of President Donald Trump. Notably, there was significant divergence in market performance between the U.S. and Europe. Emerging markets outperformed developed markets over the period.
- Global fixed-income assets finished in positive territory for the quarter. Yields moved lower across the U.S. Treasury curve. (Prices move inversely to yields.)
- Uncertainty is one of the clear *certainties* of capital markets. In fact, any endeavour that involves discounting the future (such as investing) exists in the realm of uncertainty.

SEI's Domestic View

In our previous quarterly outlook, we predicted an interesting year ahead for Canadian investors. In hindsight (and in keeping with the character of the 2020s), perhaps we should have said, "Let the chaos begin." Through a multitude of executive actions, the second Trump Administration has been breaking (or at least threatening to break) radically with the global trade and military order of the past 60-to-80 years while also articulating territorial ambitions reminiscent of the late nineteenth and early twentieth centuries. Heading into the "Liberation Day" announcement on April 2, we hadn't seen any large economic or market dislocations, but economists and other observers understandably were concerned about potential impacts on the Canadian and global economies as well as financial markets.

We think "chaos" is a fair characterization of Trump's executive orders, as even their ardent supporters acknowledge they aim to massively reshape longstanding global trade patterns. In his executive order signed April 2, Trump announced the imposition of broad 10% tariffs against over 130 countries as well as higher reciprocal rates on countries that Trump views as being the worst offenders in terms of trade imbalances.[1] Surprisingly, both Canada and Mexico were left off the list entirely.

While that's certainly a positive, corks should be left in the champagne bottles. Canada's exports to the U.S. are still subject to higher trade barriers, including 25% tariffs on aluminum, steel, and goods that are not compliant with 2020's United States-Mexico-Canada Agreement (USMCA), as well as 10% on energy goods. Canada is fortunate to have escaped additional Liberation Day tariffs, but these existing measures still pose significant risk. As multiple observers have now noted, the United States' cumulative in-force and announced tariffs are now at levels last seen in the 1930s.[2]

Furthermore, Trump has promised to pursue additional tariffs on strategic sectors such as lumber, pharmaceuticals, and semiconductors (the first two are especially relevant in terms of potential impact to Canadian industries).

Finally, in addition to these impending and potential headwinds, Canada's economy is quite exposed to any global or U.S. economic slowdown precipitated by Trump's trade war and any subsequent retaliation from other countries.

In short, the intermediate-term outlook is now quite concerning. Sentiment measures have been worsening in Canada and the U.S., and while the domestic labour market was still in reasonable shape as of the latest report, it's quite possible we'll begin to see some more meaningful deterioration in hard economic data in the months ahead.

What shape might that economic deterioration take? It's subject to multiple behavioural forces and thus impossible to predict with any precision. However, we can identify several general points of adjustment: volumes of tariffed goods imported by the U.S.; substitute goods available domestically in the U.S., absorption or pass-through of tariff costs by importers and other businesses and resulting impacts on margins (an area of concern for creditors and investors); and prices (a concern for downstream businesses and consumers) and so on.

The critical component for recession risk is employment impacts—if lower overall activity and/or margin compression cause unemployment to rise meaningfully, recession is almost certain to follow. While the U.S. is *relatively* insulated from this given it is a massive net importer with an overall economy that is not heavily trade-dependent, it is not immune.

In addition to lowering overall economic activity, U.S. tariffs also risk exacerbating inflation[3], which raises the dreaded specter of *stagflation*, the bane of central bankers' existence (stagflation is stressful for households, too, although they don't have to explain monetary policy decisions to an anxious public). While the Bank of Canada (BOC) has continued to lead the way in interest rate-cutting among advanced-economy central banks, stagflation could put it into a difficult spot. From that standpoint, Canada being left out of Trump's April 2 order could make the BOC's job slightly easier than was feared. The same might not prove true for its American counterpart, the Federal Reserve. And if Trump's trade war raises the global price level, the BOC and other central banks might all find themselves boxed in by difficult policy choices eventually.

While the first few months of Trump's presidency have had a wide array of impacts, one of the most astounding has been the shift in Canada's electoral outlook. In a recent quarterly outlook, we observed that polls indicated the Conservatives were almost certain to assume power in 2025. That has reversed dramatically. At the end of September 2024, it looked as though Conservatives would garner 43% of the popular vote and 220 out of 343 seats in Parliament (172 seats are required to form a majority). By April 2, this had declined to 37% and 117, respectively, while the Liberals, under the new leadership of former BOC and Bank of England head Mark Carney, saw its figures rise from 23% and 60 seats to 43% and 202 seats.

While roughly a quarter of the shift to the Liberals was at Conservatives' expense, half of it came from previous New Democrat supporters and the remainder from the Bloc Quebecois and Green. According to CTV/Nanos polling from late February through early March, "dealing with U.S. President Trump" has surpassed "the economy" as voters' most important issue.[4] Based on the shift in polls, voters in aggregate seem to believe that Carney and the Liberals are best-positioned to do this. The Conservatives could regain some ground between now and the election, but its current leader, Pierre Poilievre, seems to be fighting a two-front battle against both the incumbent Liberal government's record and a tariff-happy Trump. A more decisive focus on the trade war might help, and there are rumours of internal disagreement over current messaging.[5]

Whichever party (or parties) assumes control of Canada's government after the April election, it will certainly have its work cut out for it. To the extent the BOC's hands are tied by stronger inflation pressures in coming months and given that the tariffs implemented thus far are likely to put pressure on domestic activity, employment, and incomes, policymakers may need to get more comfortable with the possibility of concerted federal fiscal easing. Both Carney and Poilievre have embraced this idea in different ways and to varying extents, but it's not clear from their initial campaign promises that either party is fully prepared—to borrow a phrase from the former head of the European Central Bank Mario Draghi—to do whatever it takes to support a worsening labour market, much less encourage significant domestic business investment. (The latter is an issue we and others have pointed to well before Trump won the 2024 U.S. election.) Tariff-induced inflation could make fiscal easing more challenging, as it's difficult to enact significant fiscal measures without impacting inflation (see the U.S. circa 2021-2024). It would be somewhat ironic if a Carney-led government enacted policies that made the BOC's job even more difficult, given that he was governor of the BOC from 2008 through 2013. But the fact is that, as things currently stand, a more concerted level of fiscal support is likely to be required.

On the issue of business investment, the BOC released an interesting study in December 2024 comparing long-term growth in gross domestic product (GDP) per capita between Canada and the U.S., finding that most of the gap could be explained by differences between the top 10% of earners in each country. Those differences also helped explain the gap between both countries' rates of productivity growth. The authors concluded, "these differences can help identify which explanations of the difference in Canadian GDP and productivity are symptoms versus causes of the gap. Our analysis suggests that selective emigration of high-ability people could be a key factor in accounting for both persistent cross-country income differences and lower innovation in Canada compared to the United States." These findings also raise important questions about possible distortions in productivity measurement, but the innovation aspect still seems relevant. While just one piece of a much larger mosaic, a comparison of patent applications per capita across countries indicates that Canada has significantly lagged more technology-focused economies in Asia as well as the U.S. and Germany.

Trump's trade war makes Canada's productivity and innovation challenges more pressing, in our view. While plenty of lip service is being paid to the importance of domestic investment, creating a conducive environment for it is a complex and long-term challenge. Canadians' trust in public institutions, although wavering some in recent years, may still be at high enough levels to get such a process underway. Otherwise, there's a risk that Canada finds itself in a situation like the U.S., where rising mistrust in political institutions has led to a deep and growing political divide with much higher policy volatility and uncertainty.

It's clearly going to be an extremely challenging environment for Canadian policymakers, but what about Canadian investors? Anecdotally, some Canadian consumers have decided to protest Trump's trade measures by cancelling or curtailing travel to the U.S. and buying products "made in Canada." Should investors take similar measures with their portfolios, for example, by selling their U.S. equity holdings? The sentiment is understandable, but we would counsel against it. First, it's not clear at all what the longer-term impacts will be on relative performance between the U.S. and the rest of the world; and in our view, investors shouldn't make large bets on such outcomes with their portfolios. Secondly, diversification is a bedrock principle of successful investing. No matter how one might feel about the current U.S. administration's posture towards Canada and the rest of the world, U.S. companies contribute by far the largest country allocation to global equity indexes such as the MSCI ACWI . Divesting from the U.S. would represent a meaningful retreat from diversification at a time when heightened geopolitical and economic uncertainty make it as important as ever.

The trade war is likely to dominate news headlines for the foreseeable future, but it's always a good practice to keep an eye out for potential surprises, as the better prepared we are for them, the more likely we are to stick with an investment strategy. Utility-grid fragility was highlighted by the Heathrow Airport transformer explosion[6] and fears of a "liquidity mirage" in foreign exchange markets were raised in a recent Bloomberg article.[7] The liquidity mirage concept is not new—researchers associated with the New York branch of the Federal Reserve were writing about it 10 years ago in regards to U.S. Treasury markets, for example[8]—but it's one to watch given today's intense and chaotic geopolitical and policy environments.

SEI's Global View

"In like a lion" certainly held true for the first quarter of 2025 as tariff escalations, new entrants in the artificial intelligence (AI) race, stubborn inflation, and softening economic data all contributed to reversals of fortune from 2024. Recently dominant market themes, including U.S. exceptionalism, European economic stagnation, and a global soft landing, seem to have shifted considerably during the first 90 days of the year as international equity markets outperformed the U.S., Germany launched substantial stimulus measures, and U.S. interest rates fell on rising recession probabilities. Investors' hopes for an "out like a lamb" remainder of the year appear unlikely given the continued overhang of tariff announcements and retaliations, the on again/off again peace negotiations in Europe, and mixed messages from corporate earnings and consumer behaviour that reflect a "wait-and-see" approach to these uncertain times.

Uncertainty is one of the clear *certainties* of capital markets. In fact, any endeavour that involves discounting the future (such as investing) exists in the realm of uncertainty. There are times, however, when uncertainty feels more…present. We think that most would agree that our current moment clearly falls into that category, and for good reason. Thus far, 2025 has delivered more than just a momentum reversal, the potential for steeper and wider applications of tariffs, and a higher probability of a U.S. recession.

More tactically, our expectations for a broadening of equity market performance have certainly played out from a geographic perspective. While there are no more true bargains to be had, we continue to favour broad global exposures. Corporate earnings guidance has been understandably mixed given the political overhangs, but we expect the outlook to improve with some additional clarity and as more market-favourable developments (such as deregulation in the U.S.) begin to progress. Our tactical leaning into value remains in place, as we expect value stocks to continue to benefit from market dynamics, including stubborn inflation, higher interest rates, and a reassessment of the AI landscape. From a sector perspective, we generally favour sectors such as financials, industrials, and consumer staples.

Within fixed-income markets, we remain negative on long-term interest rates both in the U.S. and in Europe. German stimulus measures are potentially just the beginning of a reset across the continent related to spending priorities. However, while Germany has room to increase spending on defense and infrastructure given its modest debt-to-gross-domestic-product ratio, the remainder of Europe is in a much more precarious situation. This prospect for additional stimulus broadly across the continent in addition to the already stubborn inflationary readings, continues to give us confidence that the path of least resistance for longer-term global interest rates is higher.

It is worth mentioning that, at least in the U.S., reigning in government spending has entered the conversation. While there are legitimate debates in terms of the approach being taken, the fact that the unsustainable current path of debt growth is being taken seriously is a huge positive. This effort will be a long and bumpy road but a worthwhile journey, nonetheless.

Credit spreads are reflecting the general downturn in risk assets and have widened out into quarter-end from historically tight levels. While we are not forecasting a recession, we remain cautious on credit and prefer securitized sectors relative to corporate credit.

Commodities remain a tactical overweight as we prefer more inflation sensitivity in 2025 give the high potential for price disruptions from tariff implementations across the commodity complex, as well as the ongoing central-bank demand for precious metals.

Economic Backdrop

Global equity markets, as measured by the MSCI ACWI Index, posted modest losses in U.S. dollar terms for the first quarter of 2025. Positive performance in most global markets was offset by a downturn in the U.S. attributable to concerns about the impact of tariffs on imported goods imposed by the administration of President Donald Trump. During the quarter, U.S. stocks, as measured by the MSCI USA Index, underperformed their European counterparts, as represented by the MSCI Europe Index, by the largest margin in more than 30 years (in U.S. dollar terms).[9] Furthermore, the U.S. broad-market S&P 500 Index and the tech-heavy Nasdaq Composite Index recorded their largest quarterly losses since the third and second quarters of 2022, respectively.[10]

Emerging markets garnered positive returns and outperformed their developed-market counterparts during the first quarter. Eastern Europe led the emerging markets for the quarter attributable largely to strength in Poland and the Czech Republic. The Jordan + Egypt + Morocco market also performed well. The Association of Southeast Asian Nations (ASEAN) region recorded a negative return due mainly to weakness in Thailand and Indonesia. Europe was the top performer among the developed markets due mainly to strength in Spain, Italy, and Ireland. European stocks rose on the prospect of higher defense spending from the European Union after a controversial Oval Office meeting over military aid between U.S. President Donald Trump, U.S. Vice President J.D. Vance, and Ukrainian President Volodymyr Zelensky at the end of February. European shares retreated later in March after the Trump administration announced tariffs of passenger vehicles, light trucks, and parts built outside of the U.S. Additionally, the Nordic countries benefited from significant market rallies in Norway, Sweden, and Finland.[11]

On February 3, a day before 25% across-the-board tariffs on Mexico and Canada (with an exception for Canadian energy, which faces a 10% duty) were scheduled to be implemented, the Trump administration reached agreements with Canada and Mexico to delay the levies for 30 days. This was only after Mexico agreed to send 10,000 troops to the border to combat the flow of fentanyl into the U.S., and Canada pledged to appoint a fentanyl czar, list cartels as terrorists, and launch a joint strike force with the U.S. to combat organized crime, fentanyl trafficking, and money laundering.

After the 25% tariffs on Canadian and Mexican imports took effect on March 4, the leaders of the respective countries announced plans to levy retaliatory tariffs on U.S. imports. In late March, the Trump administration announced 25% tariffs on passenger vehicles, light trucks, and parts built outside of the U.S. The administration also revealed its plan to impose reciprocal tariffs (which seek to match the levies that other countries impose on U.S. goods) on imports from countries that are the largest contributors to the U.S. trade deficit. Additionally, on April 2, Trump announced that the U.S. will impose 10% tariffs on imported goods from all U.S. trading partners, and significantly higher levies on countries that the administration believes have unfriendly trade policies. The tariffs were scheduled to be implemented on April 5. The ongoing tariff dispute remains highly volatile and in constant flux.

Global fixed-income assets, as measured by the Bloomberg Global Aggregate Bond Index, gained 2.6% in USD for the quarter. Mortgage-backed securities (MBS) and U.S. Treasury securities were the strongest performers within the U.S. fixed-income market, while investment-grade corporate bonds and high-yield bonds recorded negative returns. Yields moved lower across the curve during the quarter. Yields on 2-, 3-, 5-, and 10-year Treasury notes fell by corresponding margins of 0.36% and 0.38%, 0.42%, and 0.35% to 3.89%, 3.89%, 3.96%, and 4.23%, respectively.[12] The decline in the yield on the 10-year Treasury resulted in a slightly inverted yield curve (three-month yields exceeded 10-year yields), which historically has predicted economic recessions.

Global commodity prices, as represented by the Bloomberg Commodity Index, increased 8.9% in the first quarter. A sharp rise in late March due to concerns regarding supply amid geopolitical tensions in the Middle East lifted the Brent crude oil price 0.2% to $74.77. The West Texas Intermediate (WTI) oil price also rallied, but ended the quarter with a small decline of 0.3% to $71.48. Oil prices had moved lower earlier in the quarter in response to an impending ramp-up in oil production by the Organization of the Petroleum Exporting Countries (OPEC) in April. The gold price reached multiple record highs over the quarter, climbing 19.3% as investors sought safe-haven assets amid concerns about the Trump administration's proposed tariffs, as well as a decline in the U.S. dollar. (The gold price typically moves inversely to the greenback.) The New York Mercantile Exchange (NYMEX) natural gas price surged 33.0% during the quarter as cold winter weather in the U.S. spurred an increase in demand. Wheat prices fell 2.6% during the quarter in response to a proposed ceasefire in the Russia-Ukraine war, which raised concerns about increased supply. The wheat price also was hampered by strong production from Australia and Argentina, as well as reduced imports from China.

On the geopolitical front, the Trump administration sought to enter into negotiations to end the Russia-Ukraine conflict after the president spoke with Russian President Vladimir Putin. Trump subsequently extended an invitation to Ukrainian President Volodymyr Zelenskyy to participate in negotiations with Putin for a ceasefire in the war. In late March, the Trump administration announced that Russia had agreed to a limited 30-day ceasefire in the conflict. Soon thereafter, however, Russian President Vladimir Putin demanded several conditions for the truce, including Ukraine's withdrawal from four regions in the country that Russia had annexed illegally in October 2022—but has not occupied—as well as the reduction of a North Atlantic Treaty Organization (NATO) military presence near Russia's borders.

Elsewhere, in mid-March, the U.S. launched a military strike against the Houthis, an Iran-backed militant group that seized Sanaa, Yemen's capital, in 2014. The Houthis have continually attacked numerous commercial ships sailing through the Bab el-Mandeb, the strait connecting the Gulf of Aden to the Red Sea and the Suez Canal. According to a spokesperson for the U.S. Department of Defense, the airstrikes hit more than 30 Houthi targets, including "terrorist training sites, unmanned aerial vehicle infrastructure, weapons manufacturing capabilities, and weapons storage facilities."

Economic Data (unless otherwise noted, data sourced to Bloomberg)

- According to Statistics Canada, consumer prices (as measured by the change in the Consumer Price Index (CPI)) rose 1.1% and 2.6%, respectively for the month and year ending February. Inflation was broad-based but the primary reason for the spike was the expiration of federal tax breaks for the goods and services tax (GST) and the harmonized sales tax (HST). Producer prices were also up in February, as the Industrial Product Price Index (IPPI) increased 0.4% while the Raw Materials Price Index (RMPI) increased 0.3%. Year-over-year prices were notably higher rising 4.9% and 9.3%, respectively, for the IPPI and RMPI. Over the past year, gains were fairly broad led by price increases for metals, lumber, and certain agriculture products, while energy and petroleum products have been weaker. The Canadian economy shed 33,000 jobs in March and the unemployment rate ticked up 0.1% to 6.7%.

- The Department of Labor announced that the consumer-price index (CPI) rose 0.2% in February, down from the 0.5% increase in January. Housing costs comprised nearly half of the increase, rising 0.3% for the month. Conversely, airfare and gasoline prices fell 4.0% and 1.0%, respectively, in February. The CPI advanced at a lower-than-expected rate of 2.8% year-over-year—the smallest annual increase since March 2021—and was down from the 3.0% annual upturn in January. Costs for transportation services and housing climbed 6.0% and 4.2%, respectively, over the previous 12-month period, while fuel oil and energy commodities prices declined by corresponding margins of 5.1% and 3.2%. Core inflation, as measured by the CPI for all items less food and energy, rose 3.1% year-over-year in February, slightly below market expectations and down from the 3.3% annual increase in January. According to the third estimate from the Department of Commerce, U.S. gross domestic product (GDP) grew at an annualized rate of 2.4% in the fourth quarter of 2024—up 0.1% from the initial estimate and down from the 3.1% increase in the third quarter. The U.S. economy expanded by 2.8% for the 2024 calendar year, lagging the 3.2% annual gain in 2023. The largest positive contributors to GDP growth for the fourth quarter included consumer spending and federal government spending, as well as a decrease in imports (which are subtracted from the calculation of GDP). This was partially offset by a decline in nonresidential fixed investment (purchases of both nonresidential structures and equipment and software).

- The Office for National Statistics (ONS) reported that inflation in the U.K., as measured by the CPI, increased 0.4% in February, a sharp upturn from the 0.1% dip in January. The CPI advanced at an annual rate of 2.8% in February, down from the 3.0% year-over-year increase for the previous month. Costs for furniture and household goods, restaurants and hotels, and alcohol and tobacco posted the largest gains in February, while clothing and footwear prices declined. Education and Communication costs climbed 7.5% and 7.3%, respectively, over the previous 12-month period. Core inflation, which excludes volatile food and energy prices, rose at an annual rate of 3.5% in February, moderating from the 3.7% year-over-year increase in January.[13] The ONS also announced that U.K. GDP dipped 0.1% in January and rose 0.2% over the previous three months (the most recent reporting periods). The slight decline in GDP for January was a deterioration from the 0.4% rise in December 2024. The U.K. economy grew by 0.2% for the three-month period ending January 31. Output in both the services and construction sectors increased 0.4% over the previous three-months, while production output fell 0.9%.[14]

- Eurostat pegged the inflation rate for the eurozone at 2.3% for the 12-month period ending in February, down from the 2.5% annual upturn in January. Costs in the services sector rose at an annual rate of 3.7%, a decline from the 3.9% increase in January. Prices for food, alcohol and tobacco increased 2.7% year-over-year in January, sharply higher than the 2.3% annual rate for the previous month. Core inflation, which excludes volatile energy and food prices, rose at an annual rate of 2.6% after recording five consecutive monthly increases of 2.7%.[15] Eurostat also reported that eurozone GDP edged up 0.2% the fourth quarter of 2024, modestly lower than the 0.4% increase in the third quarter. Eurozone GDP rose 0.9% for the 2024 calendar year—up from the 0.4% annual growth rate in 2023. The economies of Ireland, Denmark, Portugal, and Iceland were the strongest performers for the fourth quarter, increasing 3.6%, 1.6%, 1.5% and 1.5%, respectively. In contrast, GDP in Norway and Austria saw corresponding declines of 0.6% and 0.4% during the quarter.[16]

Index Data (Q1 2025)

- The S&P/TSX Composite Index gained 1.51%.
- The FTSE Canada Universe Bond rose 2.02%.
- The S&P 500 Index, which measures U.S. equities, returned -4.20%.
- The MSCI ACWI (Net) Index, used to gauge global equity performance, slid 1.25%.
- The ICE BofA U.S. High Yield Constrained Index, representing U.S. high-yield bond markets, returned 0.58% (currency hedged) and 1.02% (unhedged).
- The Chicago Board Options Exchange Volatility Index, also known as the “fear index,” a measure of implied volatility in the S&P 500 Index, moved higher from 17.35 to 22.28 for the quarter—notably spiking above 40 in early April.
- WTI Cushing crude-oil prices, a key indicator of movements in the oil market, moved from US$71.72 to $71.48 a barrel to end the quarter.
- The Canadian dollar was unchanged at C$1.44 per U.S. dollar. The U.S. dollar was materially weaker versus the world’s other major currencies, ending March at US$1.08 versus the euro, US$1.29 against sterling, and at 149.54 yen.

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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[1] The “reciprocal tariffs” were derived using an unusual and controversial approach based on each country’s trade surplus with the U.S. divided by its total exports. While China was the highlight, this approach also threatens severe harm to some smaller countries.

[2] Investors are likely to hear frequent references to the Smoot-Hawley Tariff Act of 1930 and its proximity to the onset of the Great Depression. While relevant to the current situation, we would caution investors not to consider those tariffs as the sole and proximate cause of the Great Depression. Monetary policy likely played a much more important role in the severe global downturn of the early 1930s. See, for example, Douglas Irwin’s 2010 paper, “Did France Cause the Great Depression?” Available at: https://www.nber.org/system/files/working_papers/w16350/w16350.pdf.

[3] The full impact of tariffs on inflation is subject to contentious theoretical debates, but for discussion’s sake, let’s concede that one of the initial impacts is to raise the overall price level.

[4] “Canadians say Trump and the economy are top issues influencing federal election vote,” CTV News/Nanos, available at: https://nanos.co/wp-content/uploads/2025/03/2025-2795-CTV-Feb-Populated-report-PP.pdf.

[5] See, for example, “Second week of campaign underway as Poilievre faces criticism, leaks within Conservative ranks,” Toronto CityNews, available at: https://toronto.citynews.ca/2025/03/30/second-week-of-campaign-underway-amid-criticism-leaks-within-conservative-ranks/.

[6] See, for example, “Heathrow is a wake-up call for utilities,” https://www.bloomberg.com/news/newsletters/2025-03-30/heathrow-is-a-wake-up-call-for-utilities, “Widespread power failures demonstrate the fragility of our electrical grid, and the perils of privatization,” https://www.halifaxexaminer.ca/morning-file/widespread-power-failures-demonstrate-the-fragility-of-our-electrical-grid-and-the-perils-of-privatization/, and “From Fragility to Flexibility: The Path to a Resilient U.S. Energy Grid,” https://picus-capital.medium.com/the-path-to-a-resilient-us-energy-grid-e85546d242db.

[7] “Traders fear global FX market may be less liquid than it appears,” https://www.bloomberg.com/news/features/2025-03-30/wall-street-fears-liquidity-problems-creeping-back-into-currency-market.

[8] Liberty Street Economics, “The liquidity mirage,” https://libertystreeteconomics.newyorkfed.org/2015/10/the-liquidity-mirage/.

[9] Source: Forbes, “European Stocks Surge Ahead Of S&P 500 In Q1 2025.” March 31, 2025.

[10] According to The Wall Street Journal. March 31, 2025.

[11] All equity market performance statements are based on the MSCI ACWI Index.

[12] According to the U.S. Department of the Treasury. As of March 31, 2025.

[13] According to the ONS. March 26, 2025.

[14] According to the ONS. March 14, 2025.

[15] According to Eurostat. March 19, 2025.

[16] According to Eurostat. March 7, 2025.

