

18 August 2025



Handelsbanken

Wealth & Asset Management

WEEKLY BULLETIN

Trade tariffs enter a new era

Key takeaways

Chip manufacturers in the US found a novel way to access the Chinese marketplace, while economic news came into focus on both sides of the Atlantic.

US tech giants fund their own export licences

Last week it was announced that two of America's technology chip-making giants, Nvidia and AMD, had agreed to pay the US government 15% of the revenues from their chip sales in China, effectively in exchange for an export licence. The deal – the first of its kind – includes revenue from Nvidia's H20 chip, which has been described as a security threat due to its potential to accelerate China's AI capabilities. The share prices of these businesses were not strongly affected by the news, as investors weighed the cost of the licence versus renewed access to the Chinese marketplace. Investors are also watching and waiting to see if this approach spreads to other tech businesses (Intel may be next on the list), or to other industries.

Higher prices taking a toll on US consumers

The latest inflation figures (measured by the Consumer Price Index, or CPI) were released on Tuesday. As expected, the figures showed that prices had risen for US consumers in July in a range of areas from healthcare to housing. However, the Producer Price Index (PPI), which measures inflation before it reaches consumers, jumped by more than expected. So far, it appears that businesses are trying to swallow a large portion of the price rises, but inevitably some are being passed on to customers. Given that the health of the US economy relies very heavily on its all-important consumers, this is a critical area to watch.

More strength than expected in the UK economy

The UK economy grew by 0.3% over the second quarter of the year (April-June). This performance was stronger than had been expected, supported by strength in the services sector, as well as construction activity. However, exports to the US hit a three-year low, falling by 13.5% amid the new tariff regime. Versus its global peers, the UK has negotiated one of the most generous trade deals with the US, but this still results in higher taxes than in the past.

Market moves

It was a positive week for global stock markets, as investors balanced competing influences – from inflation updates to company earnings – on share prices.

The pound strengthened slightly against the US dollar, lowering the returns for UK investors on overseas investments, once translated back into a stronger currency.

UK and US government bond prices fell slightly, with bond yields (which always move in the opposite direction to prices) rising.

What to look out for this week

A range of economic data is due to be announced this week, including inflation data in the US and UK, as well as an early look at key private sector survey data (the Purchasing Managers Index, or PMI) in major economies.

Investors will have their eyes peeled for clues about the next steps for the US central bank, as its leader Jerome Powell speaks at a key economic conference (Jackson Hole) on Friday.

If you have questions about financial markets, or our investment services, please contact the Marketing team:

marketing.hwam@handelsbanken.co.uk

Important Information

Handelsbanken Wealth & Asset Management Limited is authorised and regulated by the Financial Conduct Authority (FCA) in the conduct of investment and protection business, and is a wholly-owned subsidiary of Handelsbanken plc. For further information on our investment services go to wealthandasset.handelsbanken.co.uk/important-information. Tax advice which does not contain any investment element is not regulated by the FCA. Professional advice should be taken before any course of action is pursued.

- Find out more about our services by contacting us on 01892 701803 or visiting our website: wealthandasset.handelsbanken.co.uk
- Read about how our investment services are regulated, and other important information: wealthandasset.handelsbanken.co.uk/important-information
- Learn more about wealth and investment concepts in our Learning Zone: wealthandasset.handelsbanken.co.uk/learning-zone/
- Understand more about the language and terminology used in the financial services industry and our own publications through our Glossary of Terms: wealthandasset.handelsbanken.co.uk/glossary-of-terms/

All commentary and data is valid, to the best of our knowledge, at the time of publication. This document is not intended to be a definitive analysis of financial or other markets and does not constitute any recommendation to buy, sell or otherwise trade in any of the investments mentioned. The value of any investment and income from it is not guaranteed and can fall as well as rise, so your capital is at risk.

We manage our investment strategies in accordance with pre-defined risk objectives, which vary depending on the strategy's risk profile.

Portfolios may include individual investments in structured products, foreign currencies and funds (including funds not regulated by the FCA) which may individually have a relatively high risk profile. The portfolios may specifically include hedge funds, property funds, private equity funds and other funds which may have limited liquidity. Changes in exchange rates between currencies can cause investments of income to go down or up.

This document has been issued by Handelsbanken Wealth & Asset Management Limited. For Handelsbanken Multi Asset Funds, the Authorised Corporate Director is Handelsbanken ACD Limited, which is a wholly-owned subsidiary of Handelsbanken Wealth & Asset Management, and is authorised and regulated by the Financial Conduct Authority (FCA). The Registrar and Depositary is The Bank of New York Mellon (International) Limited, which is authorised by the Prudential Regulation Authority and regulated by the FCA. The Investment Manager is Handelsbanken Wealth & Asset Management Limited, which is authorised and regulated by the FCA.

Before investing in a Handelsbanken Multi Asset Fund you should read the Key Investor Information Document (KIID) as it contains important information regarding the fund including charges and specific risk warnings. The Prospectus, Key Investor Information Document, current prices and latest report and accounts are available from the following website: wealthandasset.handelsbanken.co.uk/fund-information/fund-information/, or you can request these from Handelsbanken Wealth & Asset Management Limited or Handelsbanken ACD Limited: 77 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS or by telephone on +44 01892 701803.

Registered Head Office: No.1 Kingsway, London WC2B 6AN. Registered in England No: 4132340 wealthandasset.handelsbanken.co.uk