

Hotspot

Why has the market in America gone down recently?

To view this email online, [follow this link](#)



INVESTMENTS

MORTGAGES

PENSIONS

3

1

2

PROTECTION

4

WHY HAS THE MARKET IN AMERICA GONE DOWN RECENTLY?

You may have been concerned in the recent slight drop in the value of your investment portfolio or pension. This has been caused by falls in international markets, mainly in the US and in particular the drop in the share prices of US Tech companies, commonly known as the Magnificent Seven. The Market Summary below of the S&P500 Index shows the rise and recent fall in the US markets resulting from the movement the Magnificent 7 shares.

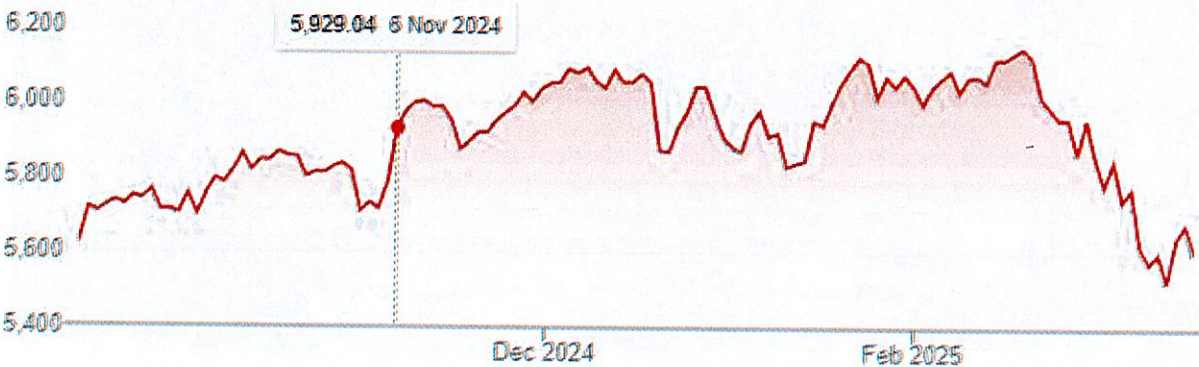
Market Summary > S&P 500

5,598.47

-19.79 (-0.35%) ↓ past 6 months

18 Mar, 11:57 GMT-4 • Disclaimer

1D 5D 1M 6M YTD 1Y 5Y Max



Open	5,654.53	Low	5,599.87	52-wk high	6,147.43
High	5,654.53	Prev close	5,675.12	52-wk low	4,953.56

The Magnificent 7 stocks include :-

Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla.

The term is often used to reference this group of mega-cap technology stocks that supercharged the U.S. stock market's gains in recent years. The rise in the share price of the companies was initially fueled by the anticipation of economic growth throughout world resulting from the development of Artificial Intelligence (AI). However, the more recent gains in their share prices were in anticipation of investment markets climbing upwards after the Trump victory. A Trump Presidency was seen as good for world economies.

However, as the saying goes “anticipation is greater than realisation”. The popularity of the Magnificent Seven as good investments has recently taken a very serious knock. Each of these companies has been developing and spending billions of dollars on their AI programmes for the past decade. Then out of the blue a Chinese company, DeepSeek R1 launches a cheap version of AI which is free to use. In one day \$600 billion was wiped off the Nvidia share price alone.

The other factor mainly affecting the US markets is the threat of tariffs that President Trump is proposing on US trading partners. This is causing uncertainty and volatility within America and its stock markets and the fear this will lead to the return of US inflation.

Both of these factors and the way the US administration has been developing recently, has caused the US stock markets to fall by 15% over the last couple of weeks. We all have some exposure to American Investment Funds and this has been reflected in the fall of investment portfolios and pensions.

Thankfully, we do not put all our eggs in one basket and we are firm proponents of spreading client's investments to reduce risk. Fortunately, the US downturn has not affected other markets, where the fall in share prices has been less dramatic. The fall in the UK's FT100 was only 4.2% and the Euro STOXX600 was 4.7% as you can see from the Market Summary charts of the UK's FT100 and the European STOXX500.

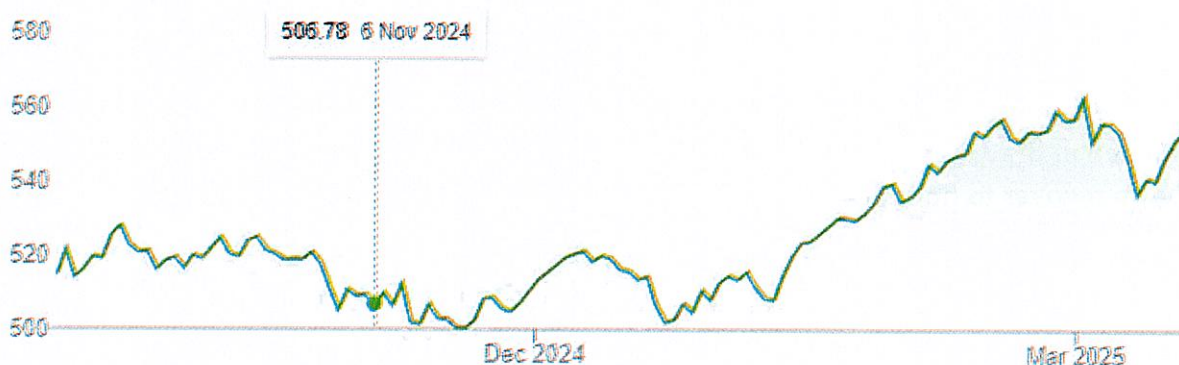
Market Summary > STOXX Europe 600

554.18

+39.59 (7.89%) ↑ past 6 months

18 Mar, 17:30 CET • Disclaimer

1D 5D 1M **6M** YTD 1Y 5Y Max



Open	551.69	Low	551.69	52-wk high	565.18
High	555.82	Prev close	550.94	52-wk low	479.83

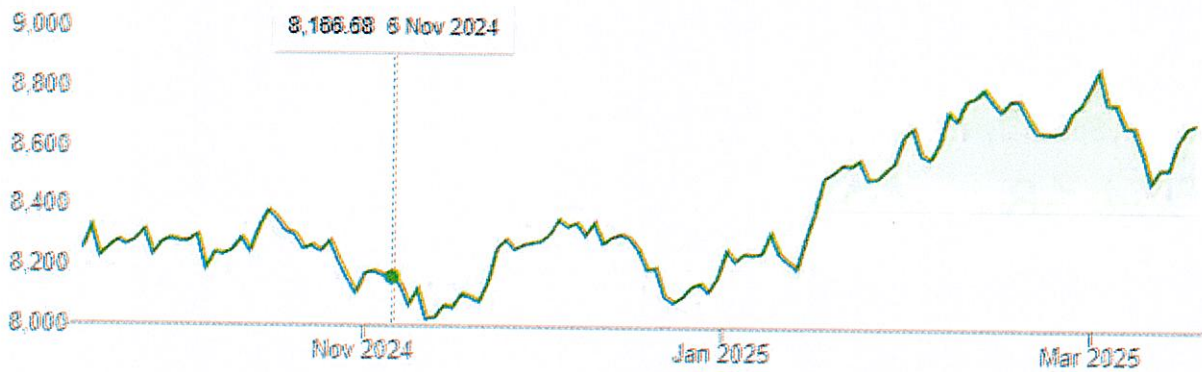
Market Summary > FTSE 100 Index

8,695.75

+442.07 (5.36%) ↑ past 6 months

18 Mar, 16:02 GMT • Disclaimer

1D 5D 1M 6M YTD 1Y 5Y Max



Open	8,680.29	Low	8,680.29	52-wk high	8,908.82
High	8,726.95	Prev close	8,680.29	52-wk low	7,699.57

Having investments spread across all world markets softens the volatility that is being experienced in the American markets. The falls have been less severe and are now starting to recover to normal levels on the path to growth.

Hope this helps.

Ray

When will interest rates go down again?

Click the button below to read the BBC News article

BBC Business News

5

Most clicked link

CONTACT US

6