

# Street Lamp News



The shortest month of the year certainly didn't feel brief as markets lurched in response from one geo-political drama to another. US markets took the brunt of the damage as Trump's proposed (and delayed for now) tariffs on Mexico and Canada led to inflation fears. Consumer confidence numbers didn't help matters, and lingering fears over the sustainability of earnings from big US tech stocks saw the NASDAQ suffer its biggest monthly decline in ten months.

As the month progressed, Trump's willingness to cut support for Ukraine in its war against Russia became more apparent, forcing many European leaders to start reappraising defence spending. Friedrich Merz, fresh from his expected victory in the German election, announced plans to lift the constitutional limit on borrowing (aka the 'debt brake') that's been in place since 2009, and in turn greatly increase spending on defence and infrastructure. It was a good month for defence spending across the continent – delivering returns of 9.3%, with major firms like BAE and Rheinmetall benefiting.

Here in the UK, large banks, defence and big pharma lifted the FTSE 100 higher. Sterling strengthened over the period, and despite the UK budget having been received poorly and consensus that the UK government has failed to hit the ground running, the UK equity market, like other non-US equities, delivered positive returns above 5%. In doing so, the FTSE 100 hit all-time highs.

In China, good results from Alibaba and the ongoing ramifications of DeepSeek's AI reveal in January, continued the recent tech-stock fuelled equities revival. Conversely, DeepSeek raising question marks about US tech's ability to dominate the AI market was still hampering US tech equities. Its innovative product seems to be capable of delivering the same results by using far less computational power than it's US rivals, and at a fraction of the cost. Emerging markets also benefited from a weakening dollar.

The Japanese equity market declined and finished February with a negative return of -2.1%. The Nikkei fell due to weak performance from large cap tech and exporters. Developments in the US also had a knock-on effect, leading to a sell-off of AI-related stocks. The interest rates on government bonds climbed following remarks from Bank of Japan (BoJ) officials, hinting at a potential shift towards stricter monetary policies that could increase the cost of borrowing. Additionally, the value of the Japanese yen rose compared to the US dollar, which

added more strain on companies that sell goods abroad, causing their stock prices to feel the pressure.

Bond markets were generally positive as fears of a slowdown in the US resulted in gains across fixed income markets. Global bonds proved to be a good diversifier against equity losses. Strong performance and positive returns in fixed income served as an important reminder that investors need to remain diversified to help protect portfolios against any further volatility that may lie ahead.

Commodities were pulled back as fears of a global slowdown grew. Meanwhile gold continued to act as a go-to asset class for investors seeking safety in these uncertain times.

Looking forward, we expect the year to be interesting and challenging as no one quite knows exactly what to expect from Trump, and markets do not like uncertainty. However, this will not be the only story for markets and as always it is likely that select opportunities will present themselves.



### Office News

We are very proud to announce that 2 of our advisers, Claire & Cole, have once again achieved Top Rated adviser status from VouchedFor.

This award is judged based on client reviews. If you would like to read some of the feedback we have received, please follow the links:

[Claire Markham](#)

### Technical News

#### End of Tax Year Planning: Key Actions to Consider

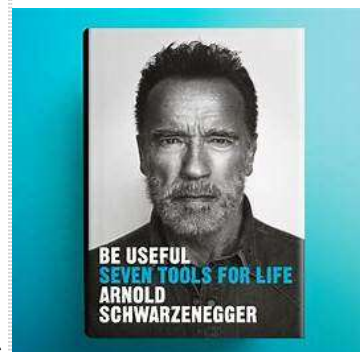
As we approach the end of the tax year on 5th April, now is the time to review your finances and take advantage of available allowances and reliefs before they reset. Here are some key areas to consider:

#### Maximise Your ISA

**Allowance** – You can contribute up to £20,000 into ISAs this tax year. This remains

### Book Club

This month's book has been an inspiration to 2 members of staff already: *Be Useful: 7 tools for life* by Arnold Schwarzenegger.



## [Cole Mills](#)

Over the last 2 months we have participated in 2 college events.

With our friends at Dexter & Sharpe accountants we took part in the QWEGS Apprenticeship day, talking to students of all ages about the alternatives to University.

And Claire went over to Frankin College for a similar event, speaking to 16 - 18 year olds about careers in financial services and insurance.

Both events were a great insight into how students consider their future career paths and we hope that we were able to provide them with some useful insights into Apprenticeships and alternatives to University.

one of the most tax-efficient ways to save and invest.

### **Use Your Pension**

**Contributions** – Making the most of your annual pension allowance (currently up to £60,000, depending on earnings) can provide valuable tax relief while boosting your retirement savings.

### **Consider Capital Gains Tax**

**(CGT) Allowances** – The annual CGT exemption is currently £3,000. If you have investments outside ISAs and pensions, consider whether gains should be realised before the new tax year.

### **Giftng and Inheritance Tax**

**Planning** – You can gift up to £3,000 each tax year without it being counted towards your estate for Inheritance Tax purposes. Making use of this and other allowances can be a smart way to reduce potential tax liabilities.

### **Dividend and Personal**

**Savings Allowances** – If you receive dividends or interest, ensure you're using your tax-free allowances efficiently.

With the end of the tax year fast approaching, reviewing your financial position now could help you make the most of the available opportunities. If you'd like to discuss your options, please feel free to get in touch.

'To give a personal insight, since I read this book I have found an image of what I would like my future to look like and every decision I make now considers if this is important in getting to that place. It is a new kind of focus.' Claire M

Schwarzenegger emphasizes the importance of having a clear vision, thinking big, and committing to relentless hard work. He underscores the necessity of adaptability, effective communication, continuous learning, and contributing to the community. These principles are illustrated through personal anecdotes, offering readers both inspiration and practical guidance.

The book's straightforward and motivational tone reflects Schwarzenegger's own approach to life. Readers have praised its practical advice and engaging storytelling, noting its effectiveness in inspiring action.

Interesting fact: Isaac Newton became Warden of the Mint in 1696 and decided that coins had to be perfectly round with ridged edges to avoid cheating.

We are authorised and regulated by the Financial Conduct Authority.

Our numbers are as follows:

Office 01507 527383 (mail@fhmanning.co.uk)

Claire 07511 156440 (clm@fhmanning.co.uk)

Malcolm 07511 156402 (mw@fhmanning.co.uk)

Cole 07544 164628 (cwgm@fhmanning.co.uk)

The Street Lamp, 8 - 12 South Street, Horncastle, LN9 6DX

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