

## News in Review

5 March 2025

*"We have a chance now to do the same for the 21st century"*



**A trade deal between the UK and US could be agreed "very quickly," President Donald Trump said at a White House press conference with Prime Minister Keir Starmer.**

The President suggested the UK may avoid the tariffs imposed on other trading partners, raising hopes of a favourable agreement. The Prime Minister presented President Trump with a formal invitation from King Charles for a second state visit, which Trump called a "great honour," praising the King as a "wonderful man."

The Prime Minister signalled that artificial intelligence presented a great opportunity for both countries, saying, "Instead of over-regulating these new technologies, we're seizing the opportunities that they offer. We've decided today to go further to begin work on a new economic deal with advanced technology at its core. Look, our two nations together shaped the great technological innovations of the last century. We have a chance now to do the same for the 21st century."

Later in the week, after a tense meeting with Trump, Ukraine President Volodymyr Zelenskyy visited London and Starmer announced a four-step plan to guarantee peace in Ukraine, saying Europe must do the "heavy lifting."

On Tuesday, an announcement came from the Trump administration that delivery of all US military aid to Ukraine was to be suspended. Later on Tuesday during his first address to Congress since returning to power, Trump said he received a letter earlier in the day from Mr Zelenskyy, saying he was ready to sign a proposed critical minerals deal between the two nations.

**UK house prices hold steady in February**  
House prices rose 3.9% year-on-year in February, slightly below January's 4.1%

increase, according to Nationwide. Prices also edged up 0.4% month-on-month, marking a sixth consecutive monthly gain.

Despite affordability pressures, the housing market remains resilient. Sales transactions in late 2024 were up 14% on the previous year, though still 6% below pre-pandemic levels. First-time buyer activity continued to recover, with mortgage completions just 5% lower than in 2019, despite higher interest rates. Cash buyers remained strong, with transactions now exceeding pre-pandemic levels.

**FTSE 100 ends February at record high**

The FTSE 100 closed at an all-time high of 8,809.74 at the end of the month, shrugging off market jitters over Donald Trump's latest tariff threats. The pound also remained strong, posting its best month against the dollar since September.

Brent crude dropped below \$73 a barrel. Markets were unsettled after Trump brought forward 25% tariffs on Mexico and Canada and doubled tariffs on Chinese goods.

**UK car production slumps amid "perfect storm"**

Car production in the UK fell by nearly 18% in January as the sector faces weakening demand, global trade uncertainty and delays in new model rollouts. Factories produced 71,104 cars and 6,908 commercial vehicles, down almost 16,800 units from last year, according to the Society of Motor Manufacturers and Traders (SMMT).

SMMT Chief Executive Mike Hawes warned of a "perfect storm" of challenges, making the transition to electric vehicles harder. The downturn has already triggered job losses, with Aston Martin cutting 5% of its workforce and BMW pausing a £600m upgrade to its Mini plant in Oxford.

**Government backs Gatwick's second runway pending noise reduction measures**

The government has given provisional approval for Gatwick Airport's second runway, provided noise reduction measures are included. Transport Secretary Heidi Alexander was "minded to approve" the £2.2bn project, though planning permission is still required.

Gatwick plans to reposition its northern runway, currently used for taxiing, to make it operational by the end of the decade. If approved, construction could start immediately, funded through private investment. The expansion faces opposition from MPs, local authorities and residents, with a final decision expected in October after further consultation. Gatwick Chief Executive Stewart Wingate welcomed the announcement, saying the government had provided a "clear pathway to full approval."

**Retail sales slump continues as sentiment remains low**

Retail sales fell for the fifth month in a row in February, with a sharper decline expected in March, according to the CBI Distributive Trades Survey.

Retailers remain pessimistic, cutting jobs and scaling back investment at the steepest rate since 2019. Sales for the time of year were weaker than usual, and overall confidence remains low. The downturn has also hit wholesale and motor trades, with total distribution sales falling sharply. While the pace of decline may ease slightly in March, businesses remain cautious as tough market conditions continue.

**Here to help**

Financial advice is key, so please do not hesitate to get in contact with any questions or concerns you may have.

***The value of investments can go down as well as up and you may not get back the full amount you invested. The past is not a guide to future performance and past performance may not necessarily be repeated.***

***All details are correct at time of writing (5 March 2025)***