JUPITER WEALTH ADVISORS
Knowledge | Security | Prosperity

Navigating Markets & Building Robust Portfolios in 2025

The first couple of weeks of 2025 already indicate that this could be a volatile year for financial markets, with ongoing shifts in the economic climate, a new political leadership in many countries, continuing geo-political tensions and uncertainty over policy decisions.

Jupiter Wealth Advisors presents its markets outlook for the year to help you navigate these uncertain markets and build portfolios that are positioned to stay robust in volatile times.

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FIXED INCOME Outlook

As the new U.S. administration takes charge this month, we expect a year of fiscal expansion in the U.S. While the headline inflation is at 2.4%, the core inflation as well as super core inflation (excluding housing & energy) is higher.

Protectionist tariffs and restrictive immigration policies that are expected from the new U.S. administration could elevate wage inflation. We will be watching closely how these policy implementations evolve over the next few months. The elevated inflation could affect the earnings of mid-cap and non-tech companies, and the Fed may not be in a position to cut rates further. Treasury yields have increased by about 70 basis points in 2024. In 2025, we expect the Fed to hold rates.

In the Eurozone and in the U.K., with signs of the economy slowing down, there could be potential rate cuts in 2025. Service inflation is higher in both Europe & the U.K., so we expect a bumpy path in rate cuts.

Meanwhile in Japan, persistent inflation could prompt the BOJ to raise rates with a view to stabilise prices.

Speak to your Jupiter advisor about our recommended strategies around adding duration in tranches.

EQUITIES Outlook

2024 was driven by a surge in earnings as well as valuations. In the developed markets, the valuations continue to be elevated. The new administration in the U.S. could introduce tax cuts and relax regulations. The spread between the largest tech companies and the rest of tech sector could narrow or even disappear in 2025. Our outlook would favour sectors such as Industrials, Materials and Energy which could have pockets of undervalued companies supported by fundamentals & policy tailwinds.

Speak to your Jupiter advisor about our stock picks in Industrials, Materials & Energy sectors.

COMMODITIES Outlook

Gold and silver could benefit significantly from the expanding fiscal deficit in the U.S. economy and reliance on them as a hedge. Crude oil has remained subdued due to weak demand but could become attractive with a re-acceleration of the U.S. economy.

Speak to your Jupiter advisor about our recommended gold target levels & strategies.

ALTERNATIVES Outlook

Given the expected volatility of the equity and fixed income markets, we recommend adding relative value trades and private market assets that can add stable and attractive returns. Private markets exposure in the form of private credit, long-short funds, and absolute return strategies could be a great addition to portfolios.

Speak to your Jupiter advisor about our recommended private market strategies.

KEY TAKEAWAYS 2025

1. While headline inflation has reduced across economies through 2024, we don't see a significant downward trend in 2025.

2. Job markets in the U.S. are tight and fiscal expansion could lead to volatility in U.S. Treasury yields. We expect U.S. to hold rates, while Europe may cut rate in a sluggish growth environment leading to a bumpy 2025.

3. Equity valuations are high, sectors with policy and earnings tailwinds could have pockets of value.

4. Precious metals and commodities could become attractive in a scenario of fiscal expansion.

5. Alternatives could add stability in a year that could have volatility in other assets.

ASSET CLASS	REGION	SUGGESTION	RATIONALE
Fixed Income	U.S.	Preferred	Yields could move higher on the back of the Trump administration's policies
	Eurozone	Neutral	Core inflation remains sticky
	U.K.	Neutral	Service inflation, sluggish economy
	Emerging Markets	Preferred	Emerging Market Investment Grade USD denominated bonds could be more attractive than local currency bonds
Equities	Developed Markets	Neutral	Valuations are high, tech stocks could get attractive after a correction phase in the next few months
	Emerging Markets	Neutral	Weak price momentum from developed markets could trickle down to emerging markets
Precious Metals		Strongly preferred	Gold could rally to our target levels on the back of fiscal expansion in the U.S.
Crude Oil		Preferred	Linked to re-acceleration of the U.S. economy
Alternatives		Strongly preferred	Private market assets such as good private credit could add stability to the portfolio

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