

## **PRESS RELEASE**

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### **Luxembourg investors fear market fallout from global trade wars, Swissquote Bank Europe survey reveals**

- 55% of Luxembourg investors say US trade policy will fuel global disruption and rising prices
- One in three investors expect markets to decline in 2025 – nearly double last year’s figure
- Precious metals, Asian stocks and cryptocurrencies seen as best-performing assets
- Majority still not using AI tools in investment decisions, despite growing availability

A new survey by Swissquote Bank Europe, conducted in partnership with ILRES, reveals mounting concerns among Luxembourg investors over the global repercussions of current US economic policy. The findings suggest that trade policies implemented during President Trump’s second term are widely viewed as potential threats to global market stability.

More than half (55%) of Luxembourg investors surveyed said these policies will contribute to rising prices and increased global market disruption in the near term. Only 4% of respondents expect the US agenda to boost economic growth and support markets. Meanwhile, 20% of investors took a more nuanced view, acknowledging that while some sectors and regions may benefit, others will likely face significant challenges. Another 16% said they were unsure what long-term impact US policy would have on global markets.

Concerns have intensified in the wake of the White House’s April announcement of wide-ranging tariffs and the subsequent threat of reciprocal tariffs, which triggered a sharp sell-off across global markets. Although some markets have since rebounded amid softened measures and legal challenges, investor sentiment in Luxembourg remains fragile.

#### **Outlook for 2025 reveals growing pessimism**

According to the survey, one in three Luxembourg investors now holds a negative outlook for global markets in 2025 – a 15-point increase from last year, when just 18% expressed similar pessimism. Only a quarter of investors expressed confidence in markets this year, while 42% adopted a neutral stance. Younger investors appeared more optimistic: 33% of Gen Z investors (aged 28 years and under) expressed confidence in global markets. In contrast, just 23% of baby boomers (aged 61 and above) held a positive outlook.

These findings are drawn from the 2025 Investment Survey conducted by Swissquote Bank Europe in partnership with Luxembourg-based market research firm ILRES. The survey reflects the responses of 1,204 Luxembourg residents interviewed between 20 April and 2 May 2025, including ILRES panels and Swissquote Bank Europe clients.

“The survey results reflect growing investor sensitivity to the global ripple effects of US economic decisions,” said Jeremy Lauret, Chief Commercial Officer at Swissquote Bank Europe. “Investors in Luxembourg are clearly concerned about the potential for inflation, trade disruptions, and broader

market instability. These findings highlight the value of a well-diversified portfolio that is exposed to different asset classes, regions and currencies during times of uncertainty.”

### **Investors stay the course despite global uncertainty**

Despite concerns over Trump’s trade policy, Luxembourg investors appear to be staying the course when it comes to their investment choices. Over half of respondents surveyed say they don’t plan to change how much they invest this year. Although fewer investors are adding new money compared to last year (down 8 percentage points), the number of investors withdrawing funds is marginal (down 2 points), suggesting many are choosing to wait and see how markets adapt to the new economic environment.

Other key findings from the survey include:

### **Equities and precious metals seen as safe bets**

The shift in market sentiment hasn’t dampened appetite for riskier assets, with 47% of investors saying they expect equities to perform best over the next two years. However, most investors predict Asian and European markets will outperform the US. Even with interest rates expected to fall, only 15% of investors have a positive view of bonds. Meanwhile, nearly half (47%) are bullish about precious metals like gold, likely as a way to protect against market uncertainty.

Cryptocurrencies continue to garner interest - 23% of investors believe digital assets will outperform traditional assets this year.

### **AI adoption remains limited and unequal**

AI is increasingly being integrated into the investment process, but how, exactly, are investors applying the technology? According to the survey, 19% of respondents say they use AI tools for company analysis and research, while 17% rely on it to summarise financial news. Another 12% use AI to analyse their portfolio and manage risk through diversification. Only 3% currently automate trades using AI technologies. Despite growing interest, the majority of investors remain cautious: two-thirds said they do not use AI in their investment decision-making. High earners – those with a gross annual household income of €365,000 - are twice more likely than the average investor to use AI to support their investment strategies.

### **Mixed views on Luxembourg’s property market**

44% of Luxembourg residents surveyed say they invest in property. However, for those still hoping to buy their first home, is now the right time to take the plunge? According to the survey, 24% of residents believe it’s a good time to enter the property market. In contrast, 19% advise waiting until next year to reassess housing conditions. 37% believe Luxembourg property is generally overvalued and suggest buying only if prices drop. The findings show that while homeownership remains a major focus for many in Luxembourg, uncertainty over market valuations continue to shape sentiment toward new investment.

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**About Swissquote Bank Europe**

Swissquote Bank Europe is Luxembourg's leading online bank for investors, and has been at the forefront of digital investing for over 20 years. Swissquote Bank Europe combines the trust and security of a Luxembourg bank with the ease of use and transparent pricing that are traditionally the reserve of fintechs.

The Swissquote group employs more than 1,000 people globally, with 35% working in technology roles. With over 600,000 clients worldwide and over 80 billion euros in client assets, the bank offers a wide range of digitally-enabled banking and investing solutions to private, professional and institutional clients.

For more information about Swissquote Bank Europe, visit [www.swissquote.lu](http://www.swissquote.lu)