



# KICKSTARTING INVESTMENT: OUR 5-POINT PLAN FOR 2025

ANDREAS VAZANIAS Independent Financial Adviser

The beginning of a new year - when markets tend to take a pause, and the world recovers from a winter break - may often be a good time to look at investment strategies.

What are the factors that might influence the fortunes of the global economy and individual companies? How can you tap into the potential and try to avoid the risks?

At Continuum we are looking at the key factors for the beginning of 2025 - and presenting a 5-point plan to help take advantage of them.

## Investing in the UK

The UK stock market is still recovering from the pandemic, Brexit-related uncertainties and the shock of the labour budget.

Chancellor Rachel Reeves's October budget was designed to stimulate growth. It significantly increased taxation and borrowing to fund spending and investment, which led to rising bond yields but stressed the economy.

The measures in the budget may actually have helped reduce economic output, while stimulating inflation - delaying further cuts in bank rate. However, longer term, the outlook could be more optimistic, with growth outpacing the economies of the EU.

## Investing in the US

Donald Trump's return to the White House is already affecting the global economy and markets.

Trump's likely internal policy measures will probably include extending tax cuts and new business tax giveaways to boost economic growth, support corporate risk, and even reduce concerns about government debt.

The US economy may possibly remain strong and the Nasdaq and S&P 500 indices are likely to attract significant attention as investors seek exposure to leading tech giants and high-growth companies. Equity markets could benefit from increased investor confidence.

## Investing in global markets

President Trump's proposed policies, including potential 40% tariffs on Chinese imports, could disrupt trade with China and the Eurozone, though they may serve as bargaining tactics. Such measures could shift global supply chains, benefiting emerging economies like India, Mexico, Korea, and Taiwan.

The Eurozone faces political and economic uncertainty with upcoming German elections and France's government collapse, leaving the

German auto industry particularly exposed. Meanwhile, a ceasefire in Ukraine seems possible, but rising tensions in the Middle East could impact oil and commodity prices.

## Investing in AI

Artificial intelligence is a new factor in investment and could disrupt many sectors from healthcare and finance to manufacturing and retail. Companies at the forefront of AI development, such as those specialising in machine learning, robotics, and cloud computing, and could potentially outperform traditional businesses.

AI-focused companies and funds in the UK and US markets continue to draw investment, a trend that may persist through 2025.

## Our 5-point plan

- Diversification is Crucial:** Spreading your investments across markets, sectors, and asset classes reduces risk and enhances potential returns. It could be particularly important in 2025 with global tensions high.
- Focus on Funds:** These investment vehicles offer simplicity and ready-made diversification, making them ideal for most investors - along with ample choice to let you follow your instincts.
- Stay Informed:** Keep track of economic trends, monetary policies, and technological advancements to make informed decisions. New opportunities can appear rapidly, particularly with AI and green investments.
- Consider Long-Term Potential:** Focus on industries and companies with sustainable growth prospects, such as renewable energy, technology, and AI.
- Get expert help:** Working with an expert to develop an investment strategy that is appropriate for you will be essential in 2025, and in every other year. To get the expert help you need, call us at Continuum.

## Sources

[Trump to unleash nearly 40% tariffs on China in early 2025, hitting growth: Reuters poll | Reuters](#)

[Euro zone economy seen hit early next year by Trump tariffs, say economists: Reuters poll | Reuters](#)

[How 'twin deficits' have fuelled turmoil in the gilt market](#)

[Europe wants affordable electric vehicles from China. But not at the cost of its own auto industry](#)

[Ukraine-Russia war latest: UK considers sending in peacekeeping troops as Starmer arrives in Kyiv | The Independent](#)

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FOR A FREE INITIAL CONSULTATION CONTACT

**ANDREAS VAZANIAS** Independent Financial Adviser

T: 0345 643 0770 E: [wealth@mycontinuum.co.uk](mailto:wealth@mycontinuum.co.uk)

[www.mycontinuum.co.uk](http://www.mycontinuum.co.uk)

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