



CIO keeps a Neutral stance on European equities, with a focus on segments more insulated from tariffs or that can benefit from monetary and fiscal support. (UBS)

Ceasefire proposal wins Ukraine backing

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Ukraine on Tuesday said it was ready to accept a US proposal for an immediate 30-day ceasefire with Russia, following high-level US-Ukraine talks in Saudi Arabia.

Washington in response said it would immediately restore weapon and ammunition supply to Ukraine and end a pause on intelligence sharing with Kyiv. Following the news, Trump said he plans to speak with Russian President Vladimir Putin in the coming days. A US State Department official said a US-Ukraine agreement on critical mineral resources will soon be signed. Leaders in Europe and the UK welcomed the ceasefire talk outcome. The EURUSD has risen 5.2% over the past week to around 1.09, its highest level since November 2024.

Our view: A successful ceasefire would offer European equity sentiment another near-term boost, especially if it credibly opens the door to a sustainable peace deal. Fundamentally, we believe the region looks well positioned—earnings are bottoming, in our view, valuations remain reasonable, and Germany and Europe's fiscal and defense plans can lift trend growth for the region. However, with many of the positive near-term catalysts for Europe having at least partially played out, developments around US tariffs or economic growth may pose more near-term risk. If US tariffs on Europe were to rise sharply, we believe the EURUSD could slip back toward 1.05.

We keep a Neutral stance on European equities, with a focus on segments more insulated from tariffs or that can benefit from monetary and fiscal support. On a sector basis, we prefer industrials, IT, utilities, health care, and real estate. Thematically, we continue to also like Eurozone small- and mid-caps, and select European exposure via our "Six ways to invest in Europe" theme.

Original report: [Markets pivot after trade and geopolitical shifts, 12 March 2025.](#)

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