



(UBS)

Geopolitical uncertainty remains high despite pressure on Russia and Ukraine

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President Trump has issued warnings to the leaders of both Russia and Ukraine, in an effort to bring the three-year war to an end.

On Sunday, President Trump said that he was willing to impose a 25-50% tariff on buyers of Russian oil if he feels President Vladimir Putin is blocking efforts to broker a peace deal. Trump also said that Ukrainian President Volodymyr Zelenskyy would face “big problems” if he were to reject or renegotiate a critical minerals resource deal with the US, which has been part of talks to find a settlement between Russia and Ukraine.

In addition, Trump is seeking to use the tariff threat to achieve US goals in the Middle East. This could include higher levies on buyers of oil from Iran, he said, if the nation does not agree to end its nuclear weapons program. President Trump also threatened Iran with “bombing the likes of which they have never seen before.”

Against this backdrop, we advise investors to seek a range of approaches to reduce the impact of geopolitically-driven volatility on portfolios. Even after the continued rally in gold, which hit another record high on Monday, we believe the metal can rise further, supported by political uncertainties, buying from central banks, and the potential for lower US interest rates. We also see oil as a hedge against geopolitical risks. The fundamental backdrop for crude is supportive too, and we expect the global market to remain undersupplied.

Takeaway: With geopolitical risks simmering, we see hedging advantages to gold and oil. Elsewhere, capital preservation strategies can help limit losses while maintaining exposure to gains, although rising volatility may increase costs.

For more, see the [Weekly Global: Risk-off mood takes hold ahead of 2 April](#), 31 March, 2025.

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