

DeepSeek Shakes Up Global Markets with Low-Cost AI Breakthrough

Chinese AI start-up DeepSeek has rattled global markets with the surprise release of an advanced AI model, claimed to be developed for just \$6 million. This low-cost achievement triggered a wave of volatility, particularly hitting US tech giants.

Nvidia felt the brunt of the shock, losing \$589 billion in market value last Monday, the largest single-day loss in history. Remarkably, it rebounded the next day, regaining \$260 billion, reflecting investor uncertainty over the long-term impact of DeepSeek's breakthrough.

OpenAI CEO Sam Altman weighed in on X, calling DeepSeek's model "impressive, particularly around what they're able to deliver for the price." He added, "it's legit invigorating to have a new competitor!"

While some fear that DeepSeek's advancement could trigger a repeat of past tech bubbles, many experts view it as a necessary wake-up call for the market. It highlights the vulnerability of dominant tech companies to disruption and signals growing competition in the AI space. According to Alicia Levine from BNY Wealth, the impact won't be devastating but will subtly shift which companies emerge as winners, with sectors like healthcare poised to benefit from cheaper, faster AI.

Ultimately, DeepSeek's announcement underscores the evolving nature of global financial markets. For investors, these shifts are a stark reminder of the importance of diversification, adaptability, and staying informed in navigating an increasingly interconnected and dynamic economic landscape.

NYSE to Extend Trading Hours Amid Growing Demand

The New York Stock Exchange (NYSE) plans to extend its trading hours from 4am-8pm to 1:30am-11:30pm Eastern Time. This move responds to rising demand for overnight trading, driven by platforms like Robinhood and increased global investor activity, especially from Asia and Europe.

The change aims to align US trading more closely with global markets, offering continuous access to equities for international investors. This shift mirrors trends in currency and cryptocurrency markets, where 24-hour trading is the norm.

However, the expansion raises concerns about operational risks, including system maintenance, staffing challenges, and the potential strain on regulatory oversight. Despite these issues, the NYSE's decision reflects the evolving nature of financial markets, where flexibility and round-the-clock access are becoming increasingly important for investors worldwide.

Trump's Tariff Blitz: The Next Trade War?

Donald Trump is preparing to reignite global trade tensions with sweeping new tariffs on America's largest trading partners. He's set to impose 25% levies on imports from Canada

and Mexico, with China facing a 10% hit. The move, which he claims will revitalise American industry, risks pushing trade tensions to new heights.

Markets have remained surprisingly resilient in the lead-up to the announcement, with the S&P 500 holding steady and the Nasdaq Golden Dragon Index—tracking U.S.-listed Chinese firms—rising over 4%. However, uncertainty looms. Automakers like Ford and Tesla, deeply tied to North American supply chains, could face surging costs, while semiconductor firms brace for disruption. Meanwhile, Mexico and Canada are weighing retaliation, with Ottawa

Global equities have so far taken the news in stride, but analysts warn of a volatile road ahead. If Trump expands his tariff crusade to Europe and beyond, expect fresh market turbulence and a revival of the tit-for-tat trade wars that defined his first term.

Hostage Swaps Continue Amid Fragile Gaza Ceasefire

Hamas freed three Israeli and five Thai hostages on Thursday in the largest exchange since the fragile ceasefire took effect. The release, brokered by US-led mediators, was accompanied by Israel freeing 110 Palestinian prisoners, as part of a broader three-phase deal aimed at ending the 15-month conflict.

The exchange was not without tension. Chaotic handover scenes prompted Israel to temporarily threaten delays, and Prime Minister Netanyahu warned that any harm to hostages would have consequences. Meanwhile, restrictions on UNRWA funding have sparked concerns over humanitarian aid access in Gaza.

The ceasefire deal, which has already seen multiple hostage swaps, remains on shaky ground. While upcoming negotiations could secure further releases and a potential Israeli withdrawal, the region's deep divisions leave any lasting resolution far from guaranteed.

Reeves' Growth Gamble: Can Infrastructure Deliver?

Chancellor Rachel Reeves has doubled down on growth, but the question remains—can her long-term infrastructure push generate momentum before the next election?

Her latest speech unveiled ambitious plans, from Heathrow's third runway to new towns and transport projects, all aimed at reviving business confidence. Yet, with the UK economy stagnant and consumer confidence in decline, critics argue these measures do little to ease immediate concerns. Business leaders welcomed the shift in tone but warned that without tax relief or faster deregulation, investment may remain sluggish.

The government's newly planned infrastructure authority could provide the missing framework for sustained growth, but with inflation still above target and borrowing constraints tightening, Reeves is walking a fine line. Whether her strategy sparks genuine economic revival (or stalls in bureaucratic delays) will be key to Labour's economic credibility heading into the next election.