# Barclays profits surge 19% on trading amid US trade turmoil but warns of caution ahead



Barclays has reported a 19 per cent rise in profits for the first quarter of the year, reaching £2.7 billion, surpassing analysts' expectations of £2.5 billion. The boost in profits was largely attributed to heightened trading activity amid global market disruptions caused by US President Donald Trump's trade policies. However, the bank also cautioned about a potential slowdown in dealmaking and lending due to the ongoing uncertainty surrounding these tariffs.

The increased volatility in markets, linked to what Barclays described as "erratic" US trade policies, led to frenetic trading, which significantly contributed to the bank’s robust financial performance. This surge in trading activity helped offset a decline in dealmaking from Barclays’ Investment Bank division.

Chief executive CS Venkatakrishnan, often referred to simply as Venkat, remarked on the cautious stance being adopted by businesses amid the uncertain environment. Speaking to the Daily Mail, he said, "It is quite natural when there is this kind of uncertainty to take a pause and consider the important decisions they are making – for their financing needs as well as M&A activity – to get some clarity. And I expect until clarity comes people will continue to consider their environment and be cautious."

The UK arm of Barclays also experienced an upgrade in its profitability outlook, supported by a resilient performance in its mortgage lending and spending card operations, indicating strength in consumer-facing services despite broader market uncertainty.

Nonetheless, Barclays has increased its provisions to cover potential loan losses, setting aside £643 million, up from £513 million the previous year. This increase was largely driven by £74 million attributed specifically to "elevated US macroeconomic uncertainty," reflecting concerns over the economic impact of ongoing trade tensions.

The warning from Barclays about a slowdown echoes similar caution expressed by rival HSBC, which recently stated that President Trump’s tariffs are prompting a "reconfiguration" of the global economy. Both banks highlight how global trade disruptions continue to influence financial markets and corporate decision-making.

The Daily Mail is reporting that while Barclays managed to report stronger profits amid market volatility, the outlook remains uncertain with cautious behaviour expected in lending and corporate dealmaking until the global trade environment stabilises.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.reuters.com/business/finance/barclays-posts-19-rise-q1-profit-beating-expectations-2025-04-30/> - This article reports Barclays' 19% rise in first-quarter profit to £2.7 billion, driven by a surge in investment banking income, especially from fixed income trading, surpassing analysts' forecasts of £2.5 billion.
2. <https://apnews.com/article/93474e22fcf883d9040cd8ac1adbfc67> - This article discusses how uncertainty surrounding U.S. tariffs is causing companies, including Barclays, to issue cautious financial forecasts for the year ahead, highlighting the impact of U.S. trade policies on global markets.
3. <https://www.ft.com/content/089be1ce-e2ea-4540-8ed4-05362f0cad58> - This article details how Barclays, along with UBS and Société Générale, reported strong first-quarter profits in 2025, buoyed by market volatility triggered by U.S. President Donald Trump's new tariffs, leading to a 16% increase in Barclays' income to £2.7 billion.
4. <https://www.ft.com/content/4a89d29b-7196-4f32-9f6e-80d3901b3291> - This article highlights Barclays CEO CS Venkatakrishnan's opposition to changes in the UK's post-2008 financial crisis bank ringfencing rules, emphasizing the importance of protecting depositors amid global market volatility.
5. <https://markets.ft.com/data/announce/detail?dockey=1323-15933651-77MN11I93GRP8S8C0RRT4FRRD8> - This official Barclays announcement provides detailed financial metrics for the first quarter, including a 16% increase in profit before tax to £2.6 billion, and discusses the impact of global market volatility on the bank's performance.
6. <https://www.marketscreener.com/quote/stock/BARCLAYS-PLC-9583556/news/TOP-NEWS-Barclays-quarterly-profit-up-on-strong-Markets-performance-42088362/> - This article reports on Barclays' strong first-quarter performance, with net interest income surging 58% to £3.07 billion, and discusses the impact of market volatility on the bank's trading division.
7. <https://www.dailymail.co.uk/money/markets/article-14665697/Barclays-boss-warns-slowdown-dealmaking-lending-Trumps-tariffs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data