

MONDAY MORNING RECAP - June 2, 2025

Last Week

Dow Jones Industrial Average (DJIA)	42,270.07	+667.00	+1.60%
S&P 500 Index	5,911.69	+108.87	+1.88%
NASDAQ Composite Index	19,113.77	+376.56	+2.01%
U.S. 10 yr. Treasury Note Yield	4.41%	-10 Basis Points	
Gold (\$ per troy oz.)	\$3,288.90	-\$76.90	-2.28%
WTI Oil (\$ per barrel)	\$60.79	-\$0.74	-1.20%

Market Summary

Global Equities: US equities rose last week on the back of a sharp increase in US consumer confidence and a US court ruling that President Trump did not have the authority to put broad based tariffs in place. The S&P 500 ended the week up 1.88%. European stocks also rose after President Trump delayed plans to implement a 50% tariff on imports from the region, with the STOXX 600 ending the week up 0.77%. However, Chinese stocks fell after Treasury Secretary Bessent stated that trade talks between the US and China had made no progress. The Hang Seng ended the week down -1.32%.

Commodities: Oil prices were volatile last week but fell overall as the market weighed tariff developments, the threat of more US sanctions on Russia, and reports that OPEC+ is discussing hiking production in July by more than was previously expected. WTI and Brent Crude ended the week down at \$60.79 and \$63.90/bbl, respectively. Gold fell over the week due to optimism about tariffs and the US dollar strengthening, ending the week at \$3288.90/troy oz.

Fixed Income: US Treasury yields fell last week after inflation came in lower than consensus expected and markets digested tariff developments. The 2-Year and 10-Year US Treasury yields ended the week at 3.90% and 4.40%, respectively. The 10-Year German Bund yield tracked its US counterpart, ending the week down at 2.50%.

FX: The US dollar strengthened against a basket of currencies last week, making gains after President Trump's tariffs were initially blocked and FOMC Minutes suggested the Fed would continue with its cautious approach to adjusting rates. The US dollar index ended the week up 0.22%. With the dollar appreciating, the euro and pound sterling fell against the greenback, ending the week at \$1.13 and \$1.35, respectively.

Economic Summary

Monetary Policy: The FOMC Minutes released last week made clear the “difficult trade-offs” the Fed is likely to face over the coming months against a backdrop of persistent inflation and solid economic growth on one hand and downside risks to the labor market and the possibility of recession on the other. Chair Powell met with Donald Trump on Thursday, after which the Fed issued a statement emphasizing its non-partisan, data-based approach to setting monetary policy. In Japan, the recent 40-year JGB auction saw the lowest demand in 10 months. Minister of Finance Kato said he was considering reducing long-dated bond issuance to ease pressures amid worsening public finances. On the other hand, BoJ Governor Ueda said the central bank’s financial position won’t affect its short-term rate decision, which will focus on achieving the price target.

US Policy: President Trump’s tariff policy looked to be up in the air on Wednesday when the Court of International Trade ruled that tariffs enacted under the IEEPA authority must end within 10 days. However, the next day the Court of Appeals ruled that the tariffs could remain in place while it considers the matter. As it stands, we expect the administration to find a way to ensure its tariffs will continue to be implemented.

Activity: The Conference Board’s Consumer Confidence Index jumped by 12.3 points in May to 98.0, its biggest increase in four years, thanks to optimism about the potential for trade deals. US Q1 GDP growth was revised up by 0.1pp to –0.2% QoQ annualized, although we still see this reading as distorted due to the frontloading of imports ahead of tariff increases.

Inflation: US PCE inflation came in at 2.1% YoY in April, down from 2.3% in March and slightly below consensus expectations of 2.2%. Core PCE, which strips out volatile food and energy prices, was down from 2.6% to 2.5%, its lowest level since March 2021.



Key Economic Releases

Monday, June 2:

US Manufacturing PMI (Cons: 52.3, Prior: 50.2)

Fed Chair Powell Speaks

Tuesday, June 3:

Euro Area CPI YoY (Cons: 2.0%, Prior: 2.2%)

US JOLTS Job Openings (Prior: 7.192M)

Wednesday, June 4:

US Services PMI (Cons: 52.3, Prior: 50.8)

Thursday, June 5:

ECB Rate Decision

Friday, June 6:

US Nonfarm Payrolls (Cons: 130K, Prior: 177K)

US Unemployment Rate (Cons: 4.2%, Prior: 4.2%)

US Avg. Hourly Earnings (Cons: 0.3%, Prior: 0.2%)

Source: Goldman Sachs Asset Management: "Market Monitor", 5/30/2025

"OPEC+" refers to the Organization of the Petroleum Exporting Countries. "WTI" refers to West Texas Intermediate crude oil, a common US benchmark for oil prices. "Brent" refers to a global benchmark for oil prices worldwide. "Bbl" refers to barrel. "Oz" refers to ounce. "FOMC" refers to Federal Open Market Committee. "IEEPA" refers to International Emergency Economic Powers Act. "GDP" refers to Gross Domestic Product. "QoQ" refers to quarter-over-quarter. "JGB" refers to Japanese Government Bonds. "BoJ" refers to Bank of Japan. "PCE" refers to Personal Consumption Index. "YoY" refers to year-over-year. "core PCE" refers to Personal Consumer Index, less food and energy.

Disclosure Statement

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