

MONDAY MORNING RECAP - June 16, 2025

Last Week

Dow Jones Industrial Average (DJIA)	42,197.79	-565.08	-1.32%
S&P 500 Index	5,976.97	-23.39	-0.39%
NASDAQ Composite Index	19,406.83	-123.13	-0.63%
U.S. 10 yr. Treasury Note Yield	4.41%	-10 Basis Points	
Gold (\$ per troy oz.)	\$3,431.20	+\$108.50	+3.27%
WTI Oil (\$ per barrel)	\$72.98	+\$8.40	+13.01%

Market Summary

Global Equities: US equities fell last week amid escalating geopolitical tensions, despite growing expectations of further rate cuts. The S&P 500 ended the week down -0.39%. European equities were mixed, with the STOXX 600 falling -1.55% as trade negotiations with the US continued to be stalled, while the FTSE 100 rose 0.16% despite growth printing at a slower pace than consensus anticipated. In China, equities rose despite Israeli military strikes targeting Iran. The Hang Seng ultimately ended the week up 0.42%.

Commodities: Oil prices surged last week after Israel launched an attack targeting Iran's nuclear program. WTI and Brent Crude both rose more than 11% over the week to \$72.98 and \$74.23, respectively. Meanwhile, gold prices climbed to their highest level in nearly two months, boosted by mounting tensions in the Middle East as well as cooling US inflation, ultimately ending the week at \$3,431.20/troy oz.

Fixed Income: US Treasury yields fell as expectations of rate cuts rose following a series of softer-than-expected inflation and labor market data releases. US yields also moved lower on rising safe-haven demand, with the 2-Year and 10-Year US Treasury yields ending the week at 3.95% and 4.41%, respectively. Outside the US, renewed tariff threats from President Trump fueled demand for global bonds, with the 10-Year German Bund yield falling to 2.53%.

FX: The US dollar extended its year-to-date depreciation against a basket of currencies due to a decline in rates and uncertainty surrounding US trade policy. The US dollar index fell -1.01%, ending the week at its lowest level since April 2022. One of the biggest beneficiaries of dollar weakness has been the euro, which reached a four-year high of \$1.15 last week.

Economic Summary

Inflation: In the US, both consumer and producer inflation eased by more than consensus expected in May. Core CPI rose 2.8% year-over-year, below consensus expectations of 2.9%. Producer price inflation was similarly muted, with PPI ex-food and energy rising 0.1% month-over-month versus consensus expectations of 0.3%. As last week's prints suggest, we have yet to see significant tariff-related price increases materialize in hard inflation data. In China, headline CPI inflation was unchanged at -0.1% year-over-year in May, above consensus expectations of -0.2%, as the decline in goods prices was offset by higher services prices.

Activity: UK monthly real GDP fell by 0.3% MoM in April, below consensus expectations. The decrease in activity was driven by weakness in the service sector which partly reflected a decline in property transactions after the Stamp Duty changes, as well as a fall in manufacturing output following a notable contraction in the autos sector. In Japan, the second preliminary estimate of Q1 2025 real GDP growth came in at -0.2% QoQ annualized, an upward revision from the first preliminary estimate of -0.7%. Inventory investment was revised up sharply, and private consumption was revised up slightly. The data continued to confirm the underlying firmness of domestic demand.

Sentiment: The University of Michigan's index of consumer sentiment rose by 8.3pts to 60.5 in the June preliminary report, well above consensus expectations of 53.5. This represented the first improvement in sentiment this year, reflecting a potential decline in anxiety around current trade and geopolitical uncertainty. Furthermore, 1-year inflation expectations came in at 5.1%, down from 6.6% in May, while the 5–10-year measure fell by 0.1pp to 4.1%, below consensus expectations.



Key Economic Releases

Monday, June 16:

BoJ Rate Decision

Tuesday, June 17:

Retail Sales MoM (Cons: - 0.6%, Prior: 0.1%)

Core Retail Sales MoM (Cons: 0.2%, Prior: 0.1%)

Wednesday, June 18:

FOMC Rate Decision UK CPI YoY (Cons: 3.3%, Prior: 3.5%)

Euro Area CPI YoY (Cons: 1.9%, Prior: 2.2%)

Thursday, June 19:

BoE Rate Decision

US Holiday

Friday, June 20:

No economic releases

Source: Goldman Sachs Asset Management: "Market Monitor", 6/13/2025

"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. "FX" refers to foreign exchange. "Core CPI" refers to Consumer Price Index, excluding food and energy. "CPI" refers to Consumer Price Index. "GDP" refers to Gross Domestic Product. "MoM" refers to month-over-month. "Stamp Duty" refers to a tax levied by governments on legal documents, typically related to property transactions and other significant financial agreements. "QoQ" refers to quarter-over-quarter.

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