

## MONDAY MORNING RECAP - June 23, 2025

### Last Week

Dow Jones Industrial Average (DJIA)	42,206.82	+9.03	+0.02%
S&P 500 Index	5,967.84	-9.13	-0.15%
NASDAQ Composite Index	19,447.41	+40.58	+0.21%
U.S. 10 yr. Treasury Note Yield	4.38%	-3 Basis Points	
Gold (\$ per troy oz.)	\$3,368.10	-\$63.10	-1.84%
WTI Oil (\$ per barrel)	\$74.93	+\$1.95	+2.67%

### Market Summary

**Global Equities:** US equities fell last week on the back of the escalating conflict between Israel and Iran and the Federal Reserve opting not to cut rates, highlighting the risk of stagflation as tariffs work their way through to consumers. The S&P 500 ended the week down -0.15%. Risk-off sentiment resulting from the geopolitical tensions weighed on select international equities as well. The STOXX 600 fell -1.50% while the TOPIX ended the week up 0.54% despite Japanese core inflation reaching a two-year high in the month of May.

**Commodities:** Oil prices rose further last week due to continued conflict in the Middle East. WTI and Brent Crude ended the week up at \$74.93 and \$77.01/bbl, respectively, amidst uncertainty around US involvement in the conflict and potential supply disruptions. Gold came under selling pressure as the Fed trimmed its outlook for rate cuts in 2026 and 2027, which may support yields and reduce demand for gold. It ended the week down at \$3368.10/troy oz.

**Fixed Income:** US Treasury yields fell marginally last week while the market digested the implications of the Fed keeping rates on hold and the turbulence in the Middle East. The 2-Year and 10- Year US Treasury yields ended the week at 3.91% and 4.38%, respectively. The 10-Year German Bund yield mirrored its US counterpart, ending the week slightly lower at 2.52%.

**FX:** The US dollar appreciated against a basket of currencies last week, benefitting from its status as a safe-haven asset during times of uncertainty. The US dollar index was up 0.53% over the week, even though a survey of major fund managers found that net investor positioning in the dollar has sunk to its lowest level since 2004. Most major currencies fell against the dollar over the week, with the euro coming off its high to end at \$1.15 while the Japanese yen ended at ¥146.09.

## **Economic Summary**

**Monetary Policy:** It was a busy week of central bank meetings, but the Fed, Bank of England, Bank of Japan and People's Bank of China all kept rates unchanged. The Fed held its policy rate at 4.25-4.50%, noting that uncertainty has "diminished but remains elevated," but otherwise made minimal changes to the post-meeting statement. While median projections are still for two more cuts this year, just one is now forecasted in 2026, down from two previously. The Bank of Japan kept rates at 0.5%, as expected, and the Bank of England at 4.25%, reiterating its "gradual and careful approach" to easing. China's 1- and 5-year loan prime rates remained at 3.0% and 3.5%, respectively, as a US-China trade agreement could reduce the need for extra stimulus.

**Inflation:** UK headline and core CPI inflation eased slightly to 3.4% and 3.5% year-over-year, respectively in May, with services inflation down sharply to 4.7%. Euro area CPI came in at 1.9% in May, down from 2.2% in April and its first reading below the ECB's 2% target in seven months. In Japan, the May national new core CPI (excluding fresh food and energy) hit 3.3% year-over-year, above market expectations.

**Activity:** US retail sales fell by -0.9% MoM in May, which was worse than the -0.6% drop consensus expected as tariff frontrunning has seemingly ended. However, core retail sales, which exclude volatile auto, gasoline and restaurant sales, edged up by 0.1% MoM, suggesting that consumer spending remains relatively solid. Meanwhile, there were 245,000 initial job claims in the US in the week ending June 14, 5,000 fewer than the week prior but still the fifth-highest level since August 2023.



## **Key Economic Releases**

### **Monday, June 23:**

US Manuf. PMI (Cons: 51.1, Prior: 52.0)  
US Services PMI (Cons: 52.9, Prior: 53.7)

### **Tuesday, June 24:**

US CB Cons. Confidence (Cons: 99.0,  
Prior: 98.0)  
Fed Chair Powell Speaks

### **Wednesday, June 25:**

Fed Chair Powell Speaks

### **Thursday, June 26:**

US GDP QoQ (Cons: - 0.2%, Prior: -0.2%)

### **Friday, June 27:**

US Core PCE Index YoY ( Prior: 2.5%)

Source: Goldman Sachs Asset Management: "Market Monitor", 6/20/2025

"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. "ECB" refers to European Central Bank. "MoM" refers to month-over-month.

### **Disclosure Statement**

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