

## MONDAY MORNING RECAP - June 30, 2025

### Last Week

Dow Jones Industrial Average (DJIA)	43,819.27	+1,612.45	+3.82%
S&P 500 Index	6,173.07	+205.23	+3.44%
NASDAQ Composite Index	20,273.46	+826.05	+4.25%
U.S. 10 yr. Treasury Note Yield	4.29%	-9 Basis Points	
Gold (\$ per troy oz.)	\$3,273.70	-\$97.70	-2.90%
WTI Oil (\$ per barrel)	\$65.52	-\$8.32	-11.27%

### Market Summary

**Global Equities:** Global equities rose last week amid de-escalation in the Middle East and progress on trade deals between the US and major trading partners. The S&P 500 climbed 3.44%, closing at 6,173 to notch its first all-time high since February 19. In Europe, the STOXX 600 rose 1.36% after NATO countries agreed to increase defense spending from 2% to 5% of GDP by 2035. Asian stocks rose as oil prices fell and risk sentiment improved, with the Hang Seng and TOPIX up 3.20% and 2.50%, respectively.

**Fixed Income:** US Treasury yields fell last week as market expectations for rate cuts rose on mixed economic data and increased pressure for cuts from the White House. According to Bloomberg data, the market is now pricing a 25% chance of a Fed cut in July and is fully priced for cuts in September and December. The 2-Year and 10-Year Treasury yields ended the week down at 3.75% and 4.29%, respectively. The 10-Year German Bund yield rose, ending the week up at 2.59% as the market raised funding costs in anticipation of greater fiscal spending.

**Commodities:** Oil prices fell by double digits early last week after the ceasefire between Israel and Iran reduced the market's geopolitical risk premium. Lower inventories in the US ahead of the busy summer season put a floor on prices later in the week, with Brent and WTI ultimately ending down at \$67.77/bbl and \$65.52/bbl, respectively. Gold also fell as uncertainty improved, ending the week at \$3,274/troy oz.

**FX:** The US dollar index fell -1.32% last week as geopolitical risk receded and Treasury yields declined. The euro rose to \$1.17, its strongest level versus the dollar since 2021, while the British pound rose to \$1.37 and the Japanese yen ended the week stronger at ¥144.65. A weaker dollar may improve trade talks ahead of the July 9 Liberation Day deadline as it makes imports of US goods cheaper for trade partners.

## **Economic Summary**

**Inflation:** US core PCE rose to 2.7% YoY in May, up from 2.5% in April and more than consensus expected. So far, services prices have been responsible for most of the upward pressure on inflation this year. Services posted a 3.4% increase from a year ago while goods have risen just 0.1%. We expect tariff-induced inflation will be visible in the data later this summer.

**Consumer:** The US Conference Board index of consumer confidence decreased by 5.4pts to 93.0 in June, well below consensus expectations for an increase. The present situation, expectations, and jobs components all declined, while the survey's measure of 12-month inflation expectations decreased by 0.4pp to 6.0%. Additionally, household data weakened in May with personal consumption falling 0.1%, below expectations for a modest increase, and the savings rate decreased to 4.5%.

**Activity:** US data was mixed in June as services PMI declined by 0.6pt to 53.1 while manufacturing PMI was flat at 52.0, against consensus expectations for a decline. Under the hood, new business declined, employment improved, and services prices fell while goods prices rose. In Europe, the Euro area composite PMI was mostly unchanged at 50.2, below consensus expectations, reflecting an improvement in services activity and softening in manufacturing output. Across geographies, a broad-based improvement in Germany was offset by softer prints in France and periphery countries. In the UK, the composite index edged up further, reflecting an expansion in services activity.

**Germany:** Last week, the German cabinet passed the 2025 budget and the headline numbers of the fiscal plan for 2026- 2029. The government plans to substantially increase the federal deficit in the next few years – up to 3.3% in 2025 and 3.6-3.8% in the following years.



## **Key Economic Releases**

### **Monday, June 30:**

China Manuf. PMI (Cons: 49.7, Prior: 49.5)

### **Tuesday, July 1:**

Euro Area Core CPI (Prior: 2.3%)

US ISM Manuf. (Prior: 48.5)

### **Wednesday, July 2:**

Euro Area Unemployment (Prior: 6.2%)

US ADP Employment (Prior: 37K)

### **Thursday, July 3:**

US Nonfarm Payrolls (Cons: 129K, Prior: 139K)

US U3 Unemployment (Cons: 4.2%, Prior: 4.2%)

### **Friday, July 4:**

US Holiday

Source: Goldman Sachs Asset Management: "Market Monitor", 6/27/2025

"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. "PMI" refers to Purchasing Managers' Index. "PCE" refers to personal consumption expenditures. "YoY" refers to year-over-year.

### **Disclosure Statement**

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