

MONDAY MORNING RECAP - July 14, 2025

Last Week

Dow Jones Industrial Average (DJIA)	44,371.51	-457.02	-1.02%
S&P 500 Index	6,259.75	-19.60	-0.31%
NASDAQ Composite Index	20,585.53	-15.57	-0.08%
U.S. 10 yr. Treasury Note Yield	4.43%	+8 Basis Points	
Gold (\$ per troy oz.)	\$3,356.00	+\$24.40	+0.73%
WTI Oil (\$ per barrel)	\$68.45	+\$1.45	+2.16%

Market Summary

Global Equities: US equities fell last week as investors digested fresh tariff announcements and the signing of the One Big Beautiful Bill Act into law. The S&P 500 ended the week down – 0.31%. European equities saw positive momentum last week as optimism around trade deals outweighed the fresh round of tariff uncertainty. The STOXX 600 and FTSE 100 rose 1.15% and 1.34%, respectively, as US and European leaders indicated progress towards a final trade deal between the two partners.

Fixed Income: US Treasury yields fell last week as a new round of broad tariff announcements fueled a flight-to-safety and June's FOMC meeting minutes showed that some Fed officials would be open to cutting rates as early as July. The 2-Year and 10-Year US Treasury yields ended the week at 3.89% and 4.43%, respectively. The 10-Year German Bund yield rose to 2.72%, amid signs of progress towards a trade deal between the US and the EU. Lastly, Japanese bond yields continued to climb, with the 10-year JGB yield rising to 1.51%, as the upcoming election has revived concerns surrounding debt sustainability.

Commodities: Oil prices rose slightly this week, as concerns about US tariffs were offset by potential sanctions on Russia and stronger-than-expected summer travel demand. WTI and Brent Crude ended the week up at \$68.45 and \$70.36/bbl, respectively. Meanwhile, gold continued to rally, ending the week at \$3356.00/troy oz, due to tariff-related safe-haven demand. Lastly, copper prices soared 12.2% following President Trump's announcement of a 50% tariff on US copper imports.

FX: The US dollar index gained 0.69% over the week, benefitting from safe-haven demand tied to recent policy uncertainty. Despite the slight rebound, the dollar has fallen over 10% in the past 6 months, marking its worst start to the year since 1973. Another safe-haven currency, the yen, also strengthened, rising to ¥147.43, while the euro weakened to \$1.1689.

Economic Summary

Monetary Policy: Minutes from the FOMC's June meeting signaled that participants "generally agreed" that the central banks is "well positioned to wait for more clarity on the outlook for inflation and economic activity." The minutes also noted that, while "a few" participants said tariffs would only lead to a onetime increase in prices, "most participants noted the risk that tariffs could have more persistent effects on inflation," and "some" stressed that "such persistence could also affect inflation expectations." On another note, "a few" participants stated that downside risks to the labor market had become "predominant."

Policy: There were several tariff-related developments this week, as President Trump extended the July 9 tariff deadline to August 1, while also stating that the US will impose tariffs ranging from 25-40% on a number of countries starting August 1 unless new deals are reached. Furthermore, President Trump said that the US will implement a 50% tariff on Brazilian imports, objecting to the country's treatment of former President Jair Bolsonaro, in addition to a 50% tariff on US copper imports.

Activity: Initial jobless claims in the US declined by 5k to 227k last week, below consensus expectations of 235k. Jobless claims dropped for the fourth straight week and reached their lowest level in seven weeks, suggesting that the US economy remains strong despite elevated rates and policy uncertainty. The UK economy shrank slightly in May, with monthly GDP decreasing by -0.1%, driven by weakness in the manufacturing and construction sectors, coupled with a drag on output from retail trade.

Inflation: China's headline CPI inflation rose +0.1% YoY in June, the first positive print since January, as non-food goods prices picked up following stronger domestic spending. However, producers still face deflation with PPI inflation declining further to -3.6% YoY. Meanwhile, in Japan, basic wage growth came in at +2.1% YoY in May, unchanged from April.



Key Economic Releases

Monday, July 14:

China Q2 GDP YoY (Prior: 5.4%)

Tuesday, July 15:

US CPI YoY (Cons: 2.6%, Prior: 2.4%)

Wednesday, July 16:

US PPI MoM (Cons: 0.3%, Prior: 0.1%)

UK CPI YoY (Cons: 3.4%, Prior: 3.4%)

Thursday, July 17:

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

US Core Retail Sales MoM (Cons: 0.3%, Prior: -0.3%)

US Initial Jobless Claims (Cons: 234k, Prior: 227k)

Friday, July 18:

No economic releases

Source: Goldman Sachs Asset Management: "Market Monitor", 7/11/2025

"FOMC" refers to the Federal Open Market Committee. "JGB" refers to Japanese Government Bond. "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. "GDP" refers to Gross Domestic Product. "CPI" refers to Consumer Price Index. "YoY" refers to year-over-year. "PPI" refers to Producer Price Index.

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