Benefit Financial Services Group

MONDAY MORNING RECAP - July 28, 2025

Last Week

Dow Jones Industrial Average (DJIA)	44,901.92	+559.73	+1.26%
S&P 500 Index	6,388.64	+91.85	+1.46%
NASDAQ Composite Index	21,108.32	+212.66	+1.02%
U.S. 10 yr. Treasury Note Yield	4.40%	-4 Basis Points	
Gold ($ per troy oz.)	$3,334.00	-$19.00	-0.57%
WTI Oil ($ per barrel)	$65.16	-$0.89	-1.35%

Market Summary

Global Equities: US equities rose last week following the announcement of a US-Japan trade deal and optimism that a similar deal would be reached with the EU ahead of President Trump's August 1 deadline. The S&P 500 hit several record highs during the week, ending up 1.46%. European and Japanese equities also benefitted from the trade developments, with the STOXX 600 and TOPIX rising by 0.57% and 4.14%, respectively.

Fixed Income: US Treasury yields edged up overall as the bond market digested trade news, some encouraging data about the US economy and President Trump stating that he believed firing Fed Chair Jerome Powell was unnecessary. With markets pricing in a more than 95% chance that the Fed will keep rates on hold next week, the 2-Year and 10-Year US Treasury yields ended the week at 3.91% and 4.40%, respectively. The 10-Year German Bund yield rose to 2.72%, as the ECB kept rates on hold and investors moved out of safe-haven assets.

Commodities: Oil prices fell last week as optimism about trade deals was offset by news that President Trump was considering allowing Chevron to resume operations in Venezuela. WTI and Brent crude ended the week at $65.16 and $68.44/bbl, respectively. Despite surpassing $3,400 early in the week, gold ended marginally down at $3,334.00/troy oz after facing selling pressure in the risk-on environment.

FX: The US dollar index fell by –0.85% last week despite the positive trade developments, as investors remain concerned about US policy uncertainty and threats to Fed independence. The Japanese yen rallied as the trade deal with the US has reduced economic uncertainty, making it easier for the Bank of Japan to hike rates at its July 30th meeting. It ended the week at ¥147.69.

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Economic Summary

Monetary Policy: The ECB left rates unchanged last week, as expected. President Lagarde highlighted the resilience of the economy and argued that the net effects of tariffs on inflation are unclear, concluding that the Governing Council is well positioned “to wait and see.” The People’s Bank of China also kept its loan prime rates unchanged despite signs of slowing growth, which reflect the impact of US tariffs, weak domestic demand and ongoing challenges in the property sector.

Activity: The S&P Global US Composite PMI rose to 54.6 in July, up from 52.9 in June. This was its biggest monthly increase so far this year and mainly driven by strong services activity, with manufacturing rising more modestly. US durable goods orders fell by –9.3% in June, beating consensus expectations of –10.8%. Excluding the volatile transport sector, orders rose by 0.2%. The Euro area composite flash PMI rose by slightly more than consensus expected in July to 51.0, its highest level in 14 months, largely due to improvements among the region’s smaller countries. In the UK, the July composite flash PMI fell by one point to 51.0, below consensus expectations. UK retail sales also rose by a lower-than-expected 0.9%, raising fears about the UK economy.

Japan: There were several political developments and data releases in Japan this week. The US and Japan reached a trade deal, with the US agreeing to cut tariffs from 25% to 15% and Japan committing to a $550bn investment in the US. Core CPI fell from 3.5% YoY in May to 3.3% in June, its first decline since February but still well above the BOJ’s 2% target. After losing its majority in Japan’s lower house last year, the ruling coalition lost its majority in the upper house last week, but Prime Minister Shigeru Ishiba said that he has no plans to quit.

Key Economic Releases

Monday, July 28: No economic releases	**Thursday, July 31:** US Core PCE YoY (Prior: 2.7%) US Initial Jobless Claims (Prior: 217k) Euro Area Unemployment (Prior: 6.3%)
Tuesday, July 29: US CB Cons. Confidence (Prior: 93.0) US JOLTS Job Openings (Prior: 7.769M)	**Friday, August 1:** Euro Area CPI YoY (Prior: 2.0%) US Unemployment (Prior: 4.1%) US Nonfarm Payrolls (Prior: 147k) US ISM Manufacturing PMI (Prior: 49.0)
Wednesday, July 30: Fed Interest Rate Decision (Cons: 4.5%, Prior: 4.5%) BoJ Interest Rate Decision (Prior: 0.5%) US GDP QoQ (Cons: 2.4%, Prior: -0.5%) Euro Area GDP QoQ (Prior: 0.6%)	

Source: Goldman Sachs Asset Management: “Market Monitor”, 7/25/2025

“EU” refers to European Union. “Fed” refers to Federal Reserve. “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. “ECB” refers to European Central Bank. “PMI” refers to Purchasing Managers’ Index. “Core CPI” refers to Consumer Price Index, excluding food and energy. “YoY” refers to year-over-year. “BoJ” refers to Bank of Japan.