

MONDAY MORNING RECAP - August 11, 2025

Last Week

Dow Jones Industrial Average (DJIA)	44,175.61	+587.03	+1.35%
S&P 500 Index	6,389.45	+151.44	+2.43%
NASDAQ Composite Index	21,450.02	+799.89	+3.87%
U.S. 10 yr. Treasury Note Yield	4.27%	+4 Basis Points	
Gold (\$ per troy oz.)	\$3,439.10	+\$91.40	+2.73%
WTI Oil (\$ per barrel)	\$63.88	-\$3.45	-5.12%

Market Summary

Global Equities: US equities rebounded last week amid solid corporate earnings and consensus expectations that the Federal Reserve will cut rates sooner rather than later. With S&P 500 earnings growth tracking at 9% in Q2, above consensus expectations of 4%, the index ended 2.43% higher, even as a new round of tariffs went into effect this week. European stocks rose sharply in the risk-on environment and also benefited from hopes of an end to the Russia-Ukraine conflict. The STOXX 600 ended the week up 2.18% while the FTSE 100 was up 0.51%.

Fixed Income: US Treasury yields rose last week as investors weighed the implications of tariff developments and the 10-Year Treasury auction saw weak demand. The 2-Year and 10-Year Treasury yields ended the week up at 3.76% and 4.27%, respectively. In Europe, the 10-Year German Bund yield edged up slightly to 2.69%, while the 10-Year UK Gilt yield rose to 4.60% after the Bank of England's hawkish commentary.

Commodities: Oil prices fell to an eight-week low after President Trump's comments about "great progress" in US-Russia talks raised uncertainty over whether the US will impose additional sanctions on Russian oil. WTI and Brent crude ended the week at \$63.88 and \$66.59/bbl, respectively. COMEX gold futures reached new highs after the announcement of US tariffs on gold. Ongoing trade tensions and hopes of Fed rate cuts also supported gold prices, with spot prices ending the week at \$3,439.10/troy oz.

FX: The US dollar index fell by 0.97% last week, as recent data releases have fueled heightened expectations of Fed rate cuts. The euro rose to \$1.16, but the big winner over the week was the pound sterling, which rallied to \$1.35 as markets trimmed their expectations of further UK rate cuts this year.

Economic Summary

Trade: President Trump's latest round of tariffs took effect on Thursday, with new rates imposed on over 90 countries around the world. These tariffs included a 39% rate on Switzerland, a 50% rate on Brazil, and a 50% rate on India due to its imports of Russian oil. The US effective tariff rate is now around 17%, its highest level since 1933. Even though President Trump said that the meeting between the US special envoy and Russia was highly productive, the administration still plans to impose tariffs of up to 100% on countries buying Russian oil.

Monetary Policy: The Bank of England lowered its Bank Rate by 25bp to 4.0% at its August meeting, in line with consensus expectations. That said, the decision to cut received less support than consensus expected, with four Committee members dissenting in favor of a hold. The minutes reiterated that a "gradual and careful approach" to monetary easing remains appropriate.

Activity: The number of initial jobless claims in the US hit 226k in the week ending August 2, up from 219k the previous week. Continuing claims – recurring applications for unemployment benefits – rose to 1.974M, their highest level since 2021. The ISM US Services PMI fell to 50.1 in July, below consensus expectations. Most respondents said that tariffs continued to create significant uncertainty and affected planning for purchases and projects.

China: Chinese export and import growth in July came in at 4.1% and 7.2% year-over-year, respectively, both above consensus expectations. The increase in headline export growth was primarily driven by faster shipments to the EU and emerging economies (ex-ASEAN), as Chinese firms channel goods through these regions to circumvent US tariffs. The acceleration of imports was broad-based across major trading partners and products. Overall, China's trade surplus fell from \$114.8bn in June to \$98.2bn in July.



Key Economic Releases

Monday, August 11:

No economic releases

Tuesday, August 12:

US CPI YoY (Cons: 2.8%, Prior: 2.7%)

UK Unemployment Rate (Prior: 4.7%)

Wednesday, August 13:

No economic releases

Thursday, August 14:

US PPI MoM (Cons: 0.2%, Prior: 0.0%)

Euro Area Q2 GDP YoY (Cons: 1.4%, Prior: 1.5%)

UK Q2 GDP YoY (Prior: 1.3%)

US Initial Jobless Claims (Prior: 226k)

Friday, August 15:

US Retail Sales MoM (Cons: 0.5%, Prior: 0.6%)

Source: Goldman Sachs Asset Management: "Market Monitor", 8/8/2025

"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. "Fed" refers to Federal Reserve. "ISM" refers to Institute for Supply Management. "PMI" refers to Purchasing Managers' Index. "ASEAN" refers to Association of Southeast Asian Nations. "EU" refers to European Union.

Disclosure Statement

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