

## GLOBAL MARKETS

# WEEKLY MARKET BRIEF



## Highlights.

Global markets stumbled slightly this past week, as trade tensions resurfaced and caution prevailed ahead of the July 9 tariff deadline. U.S. equities outperformed, with the S&P 500 gaining 1.72% to close at a record 6,279, while the Nasdaq rose 1.48% to 22,867, buoyed by strong nonfarm payroll data and falling unemployment, which reaffirmed optimism about the U.S. economy's resilience. However, European markets edged lower: the STOXX 600 fell 0.5%, and the Eurozone's STOXX 50 dropped 0.69%, dragged down by weak performance in banks and industrials. In Asia, the Nikkei 225 declined, snapping a multi-week rally amid investor nerves over global trade policy and mixed economic signals. Meanwhile, the U.S. dollar weakened, and oil prices gained slightly on hopes for de-escalation in the Middle East. Despite the caution, equity funds saw inflows of \$43 billion, the highest weekly total since November 2024, reflecting selective optimism across markets.

**Data highlights:** The Non-Farm Payroll in the U.S. showed that 147k jobs were added in June 2025. This was significantly higher than the market expectation of 110k. The Eurozone inflation rate rose slightly to 2% in June, in line with the European Central Bank and analysts' target of 2%. The unemployment rate in the Eurozone rose to 6.3% in May, higher than the analysts' forecast of 6.2%. In Australia, retail sales in May rose by 0.2% falling short of market expectation of a 0.4% increase.

**Week ahead:** Eurozone Retail Sales YoY – Monday | Australia Interest Rate Decision – Tuesday | U.S FOMC Minutes – Wednesday | Canada Unemployment Rate – Friday

## Global Markets Overview

**Treasury yields:** U.S. 10-year Treasury yields climbed 6.8 basis points over the week to 4.35%, following a stronger-than-expected June jobs report that trimmed market expectations for near-term Fed rate cuts. This left the 10-year yield virtually flat for the month. The 10Y-2Y yield spread narrowed to 0.4658, suggesting a tilt toward longer-dated maturities as investors reassessed the rate path. Nonfarm payrolls rose by 147,000, beating the 110,000 forecasts, while April and May figures were also revised higher, underscoring the labor market's resilience. Interestingly, the unemployment rate dipped unexpectedly to 4.1%, reinforcing hopes that the Fed could still pivot dovish in the months ahead. Traders are also closely watching the progress of the so-called "Big Beautiful Bill," which cleared a key hurdle in the Upper house and now heads to the White House for final approval. U.S. bond markets closed early on Thursday in observance of Independence Day.

**Equities:** U.S. equities surged to new highs last week, driven by strong labor market data that reinforced optimism about the economy's durability. The S&P 500 rose 1.72% to close at a record 6,279, while the Nasdaq advanced 1.48% to 22,867, after June nonfarm payrolls came in at 147,000, beating expectations of 110,000. The unemployment rate also surprised to the downside, falling to 4.1%, further undermining the case for potential Fed rate cuts later this year. In corporate news, Nike emerged as a standout, rallying 6.04% as investors cheered its focused turnaround strategy, including tighter inventory control, supply chain improvements, and renewed emphasis on core growth categories like running and basketball. The gains were amplified by President Trump's announcement of a trade deal with Vietnam, reinforcing Nike's strategic pivot away from China and toward Southeast Asia. Across the Atlantic, European markets lagged, with the STOXX 600 slipping 0.59% and the STOXX 50 down 0.69%, as investor sentiment cooled amid ongoing global trade tensions. EU-U.S. trade negotiations in Washington ended without a breakthrough, though EU Trade Commissioner Maros Sefcovic reaffirmed the bloc's aim to secure a "comprehensive and ambitious" transatlantic pact.

**Currencies:** The U.S. Dollar Index slipped to 97.18 on Friday, snapping a two-day winning streak as renewed trade policy fears soured market sentiment, resulting in a 0.23% weekly decline. Tensions escalated after President Donald Trump signalled plans to issue formal trade letters—opening the door for unilateral tariffs ahead of the critical July 9th negotiation deadline. Meanwhile, the House passed Trump's sweeping tax cuts and spending bill, now headed to the White House, a move expected to inflate the federal deficit by over \$3 trillion, raising fresh long-term fiscal alarms. In Asia, the Japanese yen strengthened to 144.47 per dollar by week's end, riding on broader dollar softness, posting a weekly gain of 0.12%. Stronger-than-expected household spending data—up 4.7% YoY in May—offered strong support, reinforcing expectations that the Bank of Japan may stay hawkish. The Yen is up 8.1% year-to-date, mirroring the global currency realignment under shifting macro forces.

**Commodities:** Copper prices edged higher last week, closing near \$509.70 on Friday, buoyed by renewed supply concerns and tariff-driven trade shifts. The metal surged to a three-month high earlier in the week, but the rally lost steam as Chinese fabricators balked at elevated price levels, pulling back on demand and cooling market enthusiasm. Despite the midweek reversal, copper still finished the week up 0.56%, bringing its impressive year-to-date gain to 26.59%. The recent price strength has been fuelled by tightening global inventories and tariff uncertainty, prompting traders to divert shipments toward the U.S. in anticipation of potential import duties—a sign of how geopolitics continues to shape the industrial metals landscape.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.35	1.61	-4.89
Bund 10Y	2.61	0.58	10.14
Gilt 10Y	4.55	1.11	-0.31
Japan 10Y	1.44	-0.14	30.43

Indices	Close	% W/W	% YTD
EU Stoxx 50	5289	-0.69	8.02
S&P 500	6279	1.72	6.76
EU Stoxx 600	560	-0.59	10.85
Nasdaq	22867	1.48	8.83

Currencies	Close	% W/W	% YTD
USDJPY	144.47	-0.12	-8.10
USD Index	97.18	-0.23	-10.42
USDZAR	17.58	-1.36	-6.72
USDCNY	7.1656	-0.10	-1.83

Commodities	Close	% W/W	% YTD
Gold	3337	1.92	27.15
Copper	509.70	0.56	26.59
WTI Crude	67.00	2.26	-6.58
Wheat	556.75	2.96	-4.17

## Performance of Major Global Financial Assets

% Change.

% Change:																								
W/W	1.6	0.6	1.1	-0.1	1.5	-0.9	1.7	1.5	-0.7	-1.0	0.3	-0.8	-1.5	-0.2	0.5	-0.5	-0.1	-0.1	-1.4	2.3	1.9	0.6	-4.7	3.0
MTD	2.8	0.0	1.4	0.3	0.7	-0.9	1.2	0.8	-0.3	-0.5	0.7	-1.7	-0.6	0.3	-0.1	-0.6	0.3	0.0	-0.8	2.9	1.0	1.3	-3.5	3.4
YTD	-4.9	10.1	-0.3	30.4	-3.9	-2.2	6.8	8.8	8.0	19.5	8.0	-0.2	19.2	-10.4	13.8	9.1	-8.1	-1.8	-6.7	-6.6	27.2	26.6	-4.1	-4.2
	US 10Y   BUND 10Y   GILT 10Y   JAPAN 10Y   AUSSIE 10Y   ITALY 10Y						S&P 500   NASDAQ   EU STOXX 50   DAX INDEX   FTSE 100   NIKKEI 225   HANG SENG							USD INDEX   EURUSD   GBPUSD   USDJPY   USDCNY   USDZAR						WTI CRUDE   GOLD   COPPER   COFFEE   WHEAT				
	GOV. BOND YIELDS						EQUITY INDICES							CURRENCIES						COMMODITIES				

KEY: -100%



+100%

Data Sources: Bloomberg, Investing.com, TradingEconomics, T. RowePrice, Standard Investment Bank

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