



# Weekly Market Update

Market sentiment was buoyed by hopes for better trade relations, especially the US/China rare-earth deal and extensions to temporary tariff relief, helping lift global equities to record levels. However, this optimism was tempered by growing worries over US long-term sovereign debt outflows, highlighting growing investor concerns about fiscal sustainability and pent-up inflation risk.

## US

The S&P 500 and Nasdaq reached record highs, powered by optimism over fresh US/ China trade deals and potential Federal Reserve rate cuts.

Federal Reserve held interest rates at 4.25–4.50%, signalling possible two quarter point rate cuts later in 2025.

The Fed proposed cutting the enhanced supplementary leverage ratio for big banks to 3.5%–4.5%, partly granting lenders' calls to exclude assets like Treasuries from the calculation.

US housing starts dropped –10% in May, the lowest since May 2020, indicating cooling in the US property market.

## UK

UK output price inflation fell to a four-year low (53.2) in June, supporting the case for Bank of England rate cuts, possibly in August.

The BoE Governor warned of a slowdown in the jobs market, citing higher national insurance and ongoing inflation risks, especially in food.

A 10-year Industrial Strategy was launched, while consultations began on new sustainability reporting standards.

Keir Starmer agreed to pare back a divisive £5 billion cut to welfare to quiet a rebellion by his own party.

## Europe

The EU is preparing for all outcomes in trade talks with the US, including a potential breakdown, Ursula von der Leyen said. "All options remain on the table."

Europe-wide markets held steady, with the STOXX 600 trading flat as investors weighed US Fed signals.

EU finance ministers backed customs and tax reforms, including new Code of Conduct and banking crisis.

Spain's inflation edged up to 2.2%, driven by rising food and fuel costs.

Talks progressed on an EU "Savings and Investments Union" and banking market infrastructure aimed at boosting integration.

## Asia/ROW

US airstrikes didn't destroy Iran's core nuclear components below ground, according to early Pentagon assessments, and were said to have set the program back several months to a year. The UN watchdog urged fresh inspections of the sites.

China's industrial firms saw their profits drop 9.1% in May, the most since October, as higher US tariffs and lingering deflationary pressure took hold.

Chinese stock indices fell, with Shanghai Composite down –0.9% over two sessions – but may rebound soon.

Individual investors in Japan are increasing their purchases of government bonds at the fastest pace in 18 years, with the value of JGBs held by individuals jumping 17.1% from a year earlier at the end of March.



# Performance

Asset Class/Region	Currency				
		Week ending 27 June 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	3.4%	4.5%	5.4%	13.7%
United Kingdom	GBP	0.2%	0.2%	9.5%	10.9%
Continental Europe	EUR	1.6%	−0.7%	10.0%	7.8%
Japan	JPY	2.6%	1.5%	3.4%	4.2%
Asia Pacific (ex Japan)	USD	3.1%	6.3%	14.8%	16.9%
Australia	AUD	0.2%	1.1%	6.1%	13.6%
Global	USD	3.3%	3.9%	9.0%	15.4%
Emerging markets equities					
Emerging Europe	USD	4.7%	5.8%	33.5%	22.1%
Emerging Asia	USD	3.4%	7.2%	14.9%	16.3%
Emerging Latin America	USD	2.1%	4.7%	28.2%	11.8%
BRICs	USD	2.9%	4.3%	14.5%	18.4%
China	USD	2.7%	4.5%	18.2%	34.7%
MENA countries	USD	5.1%	2.1%	0.6%	6.7%
South Africa	USD	1.8%	3.3%	28.0%	34.1%
India	USD	3.6%	4.0%	9.4%	5.4%
Global emerging markets	USD	3.3%	6.5%	15.8%	16.3%
Bonds					
US Treasuries	USD	0.6%	1.0%	3.4%	4.4%
US Treasuries (inflation protected)	USD	0.4%	0.7%	4.3%	5.1%
US Corporate (investment grade)	USD	0.7%	1.4%	3.7%	6.1%
US High Yield	USD	0.8%	1.6%	4.3%	10.0%
UK Gilts	GBP	0.2%	1.4%	2.4%	1.2%
UK Corporate (investment grade)	GBP	0.4%	1.8%	3.3%	5.4%
Euro Government Bonds	EUR	−0.2%	−0.3%	0.4%	4.1%
Euro Corporate (investment grade)	EUR	0.0%	0.2%	1.8%	5.9%
Euro High Yield	EUR	0.1%	0.4%	2.7%	8.2%
Global Government Bonds	USD	1.0%	1.4%	7.0%	8.3%
Global Bonds	USD	1.0%	1.8%	7.1%	8.3%
Global Convertible Bonds	USD	2.3%	3.5%	10.5%	18.6%
Emerging Market Bonds	USD	1.1%	2.0%	4.9%	8.8%

# ▲ Performance

Asset Class/Region	Currency				
		Week ending 27 June 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	-1.1%	-1.3%	-1.2%	8.2%
Australian Property Securities	AUD	-2.1%	0.8%	4.4%	10.5%
Asia Property Securities	USD	2.0%	4.1%	17.0%	20.6%
Global Property Securities	USD	0.5%	1.2%	6.5%	13.8%
Currencies					
Euro	USD	1.6%	3.3%	13.3%	9.5%
UK Pound Sterling	USD	1.8%	1.8%	9.5%	8.3%
Japanese Yen	USD	0.8%	-0.5%	8.8%	11.1%
Australian Dollar	USD	1.2%	1.7%	5.7%	-1.7%
South African Rand	USD	0.8%	1.0%	6.0%	3.7%
Swiss Franc	USD	2.2%	2.9%	13.6%	12.4%
Chinese Yuan	USD	0.1%	0.4%	1.8%	1.4%
Commodities & Alternatives					
Commodities	USD	-4.6%	4.9%	2.8%	1.4%
Agricultural Commodities	USD	-1.6%	-0.6%	-2.6%	-0.3%
Oil	USD	-12.0%	6.1%	-9.2%	-21.6%
Gold	USD	-2.8%	-0.5%	24.8%	40.8%





# Global Matters Weekly

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