



Weekly Market Update

Markets are riding high on tech and AI momentum – but sustained by fragile undercurrents: inflation pressures, escalating tariff threats and political uncertainty suggest recent gains may face turbulence ahead.

US

US Treasury yields dipped and Wall Street equities were barely changed on Friday as investors waited for corporate earnings and monitored the latest tariff threats while they digested a mixed economic picture.

US inflation picked up: June CPI rose to 2.7%, core at 2.9%, fuelled largely by tariff pass-through into consumer prices.

Federal Reserve Governor Christopher Waller said US policymakers should cut interest rates this month to boost a job market that looks to be weakening.

Speculation intensifies over President Trump potentially firing Fed Chair Powell, with betting markets on his replacement and rising concern that politicising the Fed could undermine inflation control credibility.

UK

The FTSE 100 surged, briefly surpassing 9,000 intraday before cooling off—driven by renewed investor rotation toward UK-listed stocks.

UK economy sheds jobs for fifth consecutive month in June with companies facing higher taxes and uncertainty from US trade war.

The chief executive of Canada's largest bank has warned the UK government against introducing a new wealth tax, saying it would compound non-dom exodus.

Chancellor Reeves launches "Leeds Reforms": A sweeping package to deregulate financial services including relaxing ring-fencing, easing mortgage/mortgage affordability, streamlining senior manager certifications, and boosting retail investment.

Europe

President Trump is reportedly pushing for 15%-20% minimum tariff on all EU goods, throwing a wrench in negotiations ahead of 1 August deadline for sweeping duties to take effect.

The EU rolled out new sanctions and oil price caps on Russia, aiming to tighten economic pressure.

ECB cautious on rate moves amid euro strength: Policymakers signalled a hold on interest rate cuts, citing the euro's -12% rally's disinflationary effects.

On Thursday, Beijing will host an EU-China summit. The gathering marks a celebration of 50 years of diplomatic ties between the two great trading powers.

Global

Japan's ruling coalition lost control of the upper house in Sunday's election, public broadcaster NHK reported, an outcome that further weakens Prime Minister Shigeru Ishiba's grip on power as a tariff deadline with the United States looms.

China's exports of rare earth magnets to the US in June soared to more than seven times their May level, marking a sharp recovery in the flow of critical minerals used in electric vehicles and wind turbines after a Sino-US trade deal.

Chinese startup Unitree Robotics has started the "tutoring" process for a potential initial public offering (IPO), aiming to capitalise on investor interest in humanoid robots. China is well-positioned to lead this frontier industry due to its strong manufacturing supply chains, government subsidies, and favourable policies.

President Ahmed al-Sharaa of Syria accused Israel on Thursday of seeking to sow "chaos" in the country, hours after the Israeli military carried out airstrikes in Damascus near the presidential palace and damaged part of the Ministry of Defence building.



Performance

Asset Class/Region	Currency				
		Week ending 18 July 2025	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	0.6%	1.5%	7.6%	13.7%
United Kingdom	GBP	0.5%	2.7%	12.0%	13.3%
Continental Europe	EUR	−0.3%	0.8%	10.4%	8.2%
Japan	JPY	0.4%	−0.6%	3.2%	−0.3%
Asia Pacific (ex Japan)	USD	1.9%	2.8%	17.2%	15.8%
Australia	AUD	2.1%	2.5%	9.1%	12.5%
Global	USD	0.5%	1.0%	10.6%	14.3%
Emerging markets equities					
Emerging Europe	USD	1.8%	3.9%	41.3%	26.2%
Emerging Asia	USD	2.0%	2.9%	17.2%	15.4%
Emerging Latin America	USD	−1.0%	−3.7%	25.1%	3.0%
BRICs	USD	1.7%	1.2%	15.3%	16.9%
China	USD	3.8%	4.4%	22.5%	38.3%
MENA countries	USD	−0.2%	1.5%	3.1%	6.1%
South Africa	USD	3.4%	2.8%	33.0%	34.3%
India	USD	−1.0%	−2.6%	5.8%	−1.1%
Global emerging markets	USD	1.7%	2.4%	18.0%	14.9%
Bonds					
US Treasuries	USD	0.0%	−0.9%	2.8%	2.6%
US Treasuries (inflation protected)	USD	0.3%	0.0%	4.6%	4.2%
US Corporate (investment grade)	USD	0.2%	−0.6%	3.6%	4.5%
US High Yield	USD	0.2%	0.1%	4.6%	8.7%
UK Gilts	GBP	−0.4%	−1.4%	1.1%	−0.8%
UK Corporate (investment grade)	GBP	−0.4%	−0.7%	2.6%	3.5%
Euro Government Bonds	EUR	0.2%	−0.5%	0.0%	2.3%
Euro Corporate (investment grade)	EUR	0.2%	0.3%	2.1%	5.4%
Euro High Yield	EUR	0.0%	0.5%	3.3%	7.9%
Global Government Bonds	USD	−0.3%	−1.4%	5.8%	4.9%
Global Bonds	USD	−0.2%	−1.1%	6.2%	5.3%
Global Convertible Bonds	USD	1.4%	2.4%	13.7%	20.2%
Emerging Market Bonds	USD	−0.1%	−0.2%	5.0%	7.7%

▲ Performance

Asset Class/Region	Currency				
		Week ending 18 July 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	0.1%	0.6%	-0.1%	1.7%
Australian Property Securities	AUD	2.8%	2.9%	7.3%	4.8%
Asia Property Securities	USD	-1.1%	-1.0%	15.9%	11.2%
Global Property Securities	USD	0.0%	0.2%	7.1%	6.5%
Currencies					
Euro	USD	-0.5%	-1.1%	12.4%	6.4%
UK Pound Sterling	USD	-0.7%	-2.2%	7.2%	3.2%
Japanese Yen	USD	-0.9%	-3.0%	5.8%	5.1%
Australian Dollar	USD	-1.0%	-0.9%	5.3%	-3.2%
South African Rand	USD	1.3%	0.1%	6.7%	3.1%
Swiss Franc	USD	-0.6%	-0.8%	13.4%	10.4%
Chinese Yuan	USD	-0.1%	-0.2%	1.7%	1.2%
Commodities & Alternatives					
Commodities	USD	0.7%	2.6%	4.6%	5.0%
Agricultural Commodities	USD	1.7%	1.0%	-2.3%	2.1%
Oil	USD	-1.5%	2.5%	-7.2%	-18.6%
Gold	USD	-0.2%	1.6%	27.6%	36.4%



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