ZURICH

Are we out of the woods yet?

On Friday, the S&P 500 completed its comeback, notching a new all-time high. The index has grown approximately 27% in local terms from its lowest point in early April. Tech stocks fuelled the push in US equities last week as tensions simmered between Israel and Iran.

Meanwhile, tariffs were still occupying the news as trade negotiations hit rough waters. On Wednesday, European stocks moved lower as reports emerged that the EU would consider retaliatory tariffs if a trade agreement with the US cannot be reached. On Friday, US President Donald Trump said that he had ended trade negotiations with Canada after they announced a new digital service tax. The tax will charge a levy on the revenue that international tech firms make in Canada. Trump called it “a direct and blatant attack on our country” and promised to issue a new tariff on Canada within the next week. Trump also threatened Spain with additional tariffs after they rejected the new NATO defence spending target.

While equities were positive, economic indicators showed some weakness. Recurring US jobless claims rose to its highest level since November 2021, signalling a higher unemployment rate. The US trade deficit grew 11.1% in May as exports fell by -5.2%, the largest drop since 2020. The Conference Board’s consumer confidence index (which focuses on labour market conditions) unexpectedly fell from 98.4 to 93.0 in June, while the Michigan consumer sentiment index (which has a broader economic focus) rose in June for the first time in six months by 16.3%, marking the largest monthly increase in over 30 years. Finally, the US PCE annual inflation rate rose from 2.2% to 2.3% in May.

There were also a number of PMI releases to report. Manufacturing activity expanded in June across Germany, UK and Japan, while holding firm in the US. Meantime, EUR/USD recorded a new YTD high above 1.17. Following the ceasefire in the Middle East, gold and oil prices fell. The latter experienced its largest two-day fall in three years, finishing the week down -14% in euro terms.

Fact of the week

The S&P 500 recorded a fresh all-time high of 6,187 for the first time in four months on Friday.

Our regular market information continues on the next page.

Snapshot

- World Equities
- Corporate Bonds
- Sovereign Bonds
- Gold
- Copper

- Oil

The week ahead	
30 June	China PMI report goes to print.
01 July	Eurozone CPI inflation for June is reported.
03 July	US non-farm payrolls report for June is released.

	1 Week Return 20.06.25 to 27.06.25		Year to Date Return 31.12.24 to 27.06.25	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	3.3%	1.5%	9.0%	-3.7%
U.S.	3.5%	1.7%	5.5%	-6.7%
Europe	1.6%	1.6%	10.0%	10.0%
Ireland	2.1%	2.1%	18.7%	18.7%
U.K.	0.2%	0.3%	9.5%	5.9%
Japan	2.9%	1.8%	2.2%	-2.0%
Hong Kong	4.6%	2.8%	23.1%	7.7%
Corporate Bonds	0.0%	0.0%	0.3%	0.3%
Sovereign Bonds	-0.3%	-0.3%	-0.3%	-0.3%

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product, you may lose some or all of the money you invest.

Equities

- Global stocks finished up 1.5% in euro terms and up 3.3% in local terms last week.
- Year-to-date global markets are down by -3.7% in euro terms and up by 9.0% in local terms.
- The U.S. market, the largest in the world, finished up 1.7% in euro terms and up 3.5% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.3% last week. The German equivalent finished at 2.6%. The Irish 10-year bond yield finished at 2.9%.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.85.

Commodities

- Oil finished the week at $66 per barrel and is down -19.3% year-to-date in euro terms.
- Gold finished the week at $3,274 per troy ounce and is up 10.2% year-to-date in euro terms.
- Copper finished the week at $10,119 per tonne and is up 3.3% year-to-date in euro terms.

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