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US and EU strike trade deal; full details still to emerge

Markets moved higher once again last week, and the United States (US) market has now notched 11 new highs in the last 30 days. Equities were supported by a plethora of trade announcements, including deals between the US and Japan. In company news, Alphabet beat expectations with its earnings release whilst Tesla remains under pressure from rivals in its key European market. Several of the 'Magnificent 7' report earnings this week and will be closely watched by the market.

At its July meeting, the European Central Bank (ECB) Governing Council kept the key deposit rate on hold at 2%. Having cut rates by 200bps in this cycle it was the first time there was no movement in a year. Market reaction was muted. In the post meeting press conference President Lagarde commented the ECB would 'wait and watch' in relation to trade tariff negotiations. The monetary focus this week turns to the Fed who meet in the latest rate decision. Despite pressure from the White House, markets are pricing in no change to the headline rate.

In the US, data last week was mainly focused on housing. Existing Home Sales fell 2.7% in June versus May, even as average prices continue to rise. The key 30-year mortgage rate remains steady at approximately 6.75%, kept high by the continued elevated level of US Treasury Yields.

In Europe, July PMI data was positive with the Services figure coming in at 51.0 versus expectations of 50.7 and the Manufacturing figure edged up slightly to 49.8, led by Germany. In the UK, the composite PMI index fell to 51.0. Whilst still in expansion territory, this figure was below both expectations (51.8) and the previous reading (52.0). Following the release, markets increased the probability of an August rate cut by the Bank of England.



Fact of the week

Despite a volatile first half of 2025, the S&P 500 hasn't seen a 1% move in either direction in over a month.

Our regular market information continues on the next page.

Snapshot



- World Equities
- Corporate Bonds
- Sovereign Bonds
- Gold



- Copper
- Oil

The week ahead	
30 July	The Fed meets for its latest rate decision.
31 July	Eurozone unemployment and flash Eurozone and US GDP data are released.
01 Aug	US Non-Farm Payrolls goes to print.



	1 Week Return 18.07.25 to 25.07.25		Year to Date Return 31.12.24 to 25.07.25	
	Local Currency	**Euro**	**Local Currency**	**Euro**
World	1.5%	0.8%	12.3%	-0.9%
U.S.	1.4%	0.7%	9.3%	-3.5%
Europe	0.5%	0.5%	11.0%	11.0%
Ireland	4.3%	4.3%	20.4%	20.4%
U.K.	1.6%	0.7%	13.7%	7.6%
Japan	4.6%	4.3%	6.0%	-0.4%
Hong Kong	2.1%	1.4%	27.8%	11.7%
Corporate Bonds	0.0%	0.0%	0.6%	0.6%
Sovereign Bonds	0.1%	0.1%	-1.1%	-1.1%

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 0.8% in euro terms and up 1.5% in local terms last week.
- Year-to-date global markets are down by -0.9% in euro terms and up by 12.3% in local terms.
- The U.S. market, the largest in the world, finished up 0.7% in euro terms and up 1.4% in local terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 4.4% last week. The German equivalent finished at 2.7%. The Irish 10-year bond yield finished at 3.0%.
- The Euro/U.S. Dollar exchange rate finished at 1.17, whilst Euro/GBP finished at 0.87.

Commodities

- Oil finished the week at $65 per barrel and is down -19.9% year-to-date in euro terms.
- Gold finished the week at $3,337 per troy ounce and is up 12.1% year-to-date in euro terms.
- Copper finished the week at $9,716 per tonne and is down -1.0% year-to-date in euro terms.

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