# Tariff turbulence takes toll on markets

US stocks and bond yields fell on Friday following a weaker-than-expected July jobs report. Only 73,000 new jobs were added, falling short of the 104,000 forecast. Adding to concerns, job figures for the previous two months were significantly revised downward, bringing the three-month average to just 35,000, well below the prior three-month average of 127,000. The unemployment rate edged up slightly to 4.2%, though it remains low by historical standards. In response to the report, President Trump dismissed Bureau of Labour Statistics Commissioner Erika McEntarfer, accusing her of manipulating the employment data.

The Trump administration's Friday deadline for finalizing tariff agreements prompted a flurry of announcements. Several trading partners, including the European Union and South Korea, secured full or partial deals to ease previously planned tariff hikes. However, negotiations with countries like Canada, India, and Brazil remain unresolved, while discussions with key partners such as China and Mexico are still ongoing with a critical deadline of August 12th. Although these partial agreements offered some short-term relief to markets, persistent uncertainty surrounding global trade policy continues to dampen investor confidence.

The Federal Reserve held its July FOMC meeting this past week, leaving the federal funds rate unchanged at a range of 4.25% to 4.5%. Chair Jerome Powell highlighted ongoing uncertainty regarding the inflationary impact of tariffs, noting that it may take time for the full effects to materialize. While he acknowledged continued progress on inflation, Powell reiterated that future policy decisions will remain data driven. Markets have increased expectations for a potential rate cut later this year, amid weakening labour market indicators and signs of slowing economic activity.

Eurozone unemployment held steady at 6.2% in June, unchanged from April and May, according to data released by Eurostat on Thursday. Economic growth in the region edged up by 0.1% in the second quarter, slightly surpassing economists' expectations of flat growth. However, this marked a notable deceleration from the 0.6% expansion recorded in Q1. Much of the earlier strength was driven by front-loaded production and exports, as businesses rushed to ship goods ahead of anticipated US tariffs, suggesting the Q1 figure overstated the underlying momentum.

## Fact of the week

For the first time since 1993, two members of the FOMC formally objected to an interest rate decision to keep rates on hold.

**Our regular market information continues on the next page.**

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## Snapshot

- Oil
- Corporate Bonds
- Sovereign Bonds
- Gold

- World Equities
- Copper

| The week ahead | |
|---|---|
| **05 Aug** | The latest US PMI data goes to print. |
| **06 Aug** | Eurozone Retail Sales for June is released. |
| **07 Aug** | The Bank of England meets for its latest interest rate decision. |

| | 1 Week Return 25.07.25 to 01.08.25 | | Year to Date Return 31.12.24 to 01.08.25 | |
|---|---|---|---|---|
| | **Local Currency** | **Euro** | **Local Currency** | **Euro** |
| World | -2.5% | -1.0% | 9.4% | -1.9% |
| U.S. | -2.3% | -0.8% | 6.7% | -4.3% |
| Europe | -3.3% | -3.3% | 7.3% | 7.3% |
| Ireland | -5.0% | -5.0% | 14.4% | 14.4% |
| U.K. | -0.5% | -0.3% | 13.1% | 7.3% |
| Japan | -0.5% | 0.8% | 5.5% | 0.3% |
| Hong Kong | -1.6% | -0.1% | 25.7% | 11.6% |
| Corporate Bonds | 0.0% | 0.0% | 0.6% | 0.6% |
| Sovereign Bonds | 0.5% | 0.5% | -0.6% | -0.6% |

**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 down -1.0% in euro terms and down 2.5% in local terms last week.
- Year-to-date global markets are down by -1.9% in euro terms and up by 9.4% in local terms.
- The U.S. market, the largest in the world, finished down -0.8% in euro terms and down -2.3% in local terms.

## Fixed Income & FX

- The U.S. 10-year yield finished at 4.2% last week. The German equivalent finished at 2.7%. The Irish 10-year bond yield finished at 2.9%.
- The Euro/U.S. Dollar exchange rate finished at 1.16, whilst Euro/GBP finished at 0.87.

## Commodities

- Oil finished the week at $67 per barrel and is down -16.1% year-to-date in euro terms.
- Gold finished the week at $3,364 per troy ounce and is up 14.5% year-to-date in euro terms.
- Copper finished the week at $9,581 per tonne and is down -1.1% year-to-date in euro terms.

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