WEEKLY MARKET UPDATE | JUNE 13, 2025

Geopolitical concerns rattle markets.

The economy

- U.S. stocks lost ground during the week ending June 13. A sharp downturn on Friday following news of Israel's military strikes on Iran erased the gains registered earlier in the week in response to generally positive economic data.
- Early Friday morning (local time), Israel launched targeted strikes on Iran's nuclear program and military leadership in an effort to hamper the Iranian government's efforts to enrich uranium for the production of nuclear weapons. Major General Hossein Salami, the leader of Iran's Islamic Revolutionary Guard Corps, was among those killed in the attacks. Later in the day, the Israeli military announced that it had detected "dozens" of missiles launched from Iran toward Israel. In its announcement of the attack, the Israel Defense Force (IDF) said, "The Aerial Defense Array [Israel's missile and air defense system] is currently identifying and intercepting launches."
- According to the Department of Labor, the consumer-price index (CPI) ticked up 0.1% in May, down marginally from the 0.2% rise in April and slightly below expectations. Housing and food costs each increased 0.3% for the month. Conversely, the energy index declined 1.0% in May due to a steep drop in gasoline prices. The CPI advanced 2.4% year-over-year—marginally higher than the 2.3% increase in April and in line with expectations. Costs for utility gas service and electricity climbed 15.3% and 4.5%, respectively, over the previous 12-month period. Gasoline and fuel oil prices declined by corresponding margins of 12.0% and 8.6%. Core inflation, as measured by the CPI for all items less food and energy, rose 2.8% year-over-year in May, unchanged from the annual increase in April. Food prices were up 2.9% over the previous 12-month period, while energy costs fell 3.5%.
- Regarding inflation at the wholesale level, the Department of Labor reported that the producer-price index (PPI), which tracks the average change over time in selling prices received by domestic producers of goods and service providers, rose 0.1% in May, up from the 0.1% dip in April but still marginally below expectations. The services index ticked up 0.1% for the month, while the index for goods increased 0.2%. The PPI advanced 2.6% year-over-year—modestly higher than the 2.5% annual increase in April. The Department of Labor also announced that there were 248,000 initial unemployment insurance claims filed during the week ending June 7, matching the total from the previous week, and up 7,000 year-over-year. Unemployment insurance claims serve as a barometer of the health of the labor market. The four-week moving average of initial claims increased by 5,000 week-over-week to 240,250, and climbed 13,500 from the four-week average of 226,750 a year earlier.
- The University of Michigan's preliminary Index of Consumer Sentiment rose 8.3 points (15.9%) to 60.5 in June—the first monthly rise since December 2024—but was down 11.3% year-over-year. Consumers' expectations for inflation over the next year fell 1.5 percentage points to 5.1% in June, while long-run inflation expectations dipped 0.1 percentage point to 4.1%. Both readings were the lowest in three months. In a news release, the University of Michigan commented, "Consumers appear to have settled somewhat from the shock of the extremely high tariffs announced in April and the policy volatility seen in the weeks that followed. However, consumers still perceive wide-ranging downside risks to the economy."

Stocks

- Global equities gained ground during the week. Emerging markets outperformed developed markets.
- U.S. equities recorded negative returns during the week. Energy and healthcare were the top-performing sectors, while financials and industrials were the primary market laggards.
- Value stocks outperformed growth, while large caps outpaced small caps.

Bonds

- The 10-year U.S. Treasury note yield declined to 4.41% during the week.
- Global bond markets finished in positive territory for the week.
- Corporate bonds led the markets, followed by government bonds and high-yield bonds.

The Numbers as of June 13, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	0.9%	6.9%	12.5%	899.6
MSCI EAFE ($)	1.0%	16.9%	13.2%	2643.8
MSCI Emerging Mkts ($)	1.7%	11.8%	11.8%	1202.7
US & Canadian Equities				
Dow Jones Industrials ($)	-1.3%	-0.8%	9.2%	42197.8
S&P 500 ($)	-0.4%	1.6%	10.0%	5977.0
NASDAQ ($)	-0.6%	0.5%	9.8%	19406.8
S&P/ TSX Composite (C$)	0.3%	7.2%	22.2%	26504.4
UK & European Equities				
FTSE All-Share (£)	0.1%	7.5%	7.9%	4801.1
MSCI Europe ex UK (€)	-0.7%	9.0%	5.2%	1924.5
Asian Equities				
Topix (¥)	-0.5%	-1.0%	0.9%	2756.5
Hong Kong Hang Seng ($)	0.4%	19.1%	31.9%	23892.6
MSCI Asia Pac. Ex-Japan ($)	1.6%	11.2%	12.2%	633.1
Latin American Equities				
MSCI EMF Latin America ($)	1.6%	23.3%	6.0%	2284.0
Mexican Bolsa (peso)	-1.0%	16.1%	9.9%	57462.0
Brazilian Bovespa (real)	0.8%	14.1%	14.8%	137219.3
Commodities ($)				
West Texas Intermediate Spot	5.4%	-5.1%	-13.5%	68.0
Gold Spot Price	3.2%	30.7%	49.2%	3430.2
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	1.2%	6.4%	7.3%	493.3
JPMorgan Emerging Mkt Bond	0.8%	4.4%	7.9%	936.7
10-Year Yield Change (basis points*)				
US Treasury	-10	-16	17	4.41%
UK Gilt	-9	-2	43	4.55%
German Bund	-4	17	6	2.53%
Japan Govt Bond	-4	31	44	1.41%
Canada Govt Bond	3	15	5	3.37%
Currency Returns**				
US$ per euro	1.3%	11.5%	7.5%	1.154
Yen per US$	-0.6%	-8.4%	-8.3%	144.04
US$ per £	0.3%	8.4%	6.3%	1.356
C$ per US$	-0.8%	-5.5%	-1.1%	1.359

Source: Bloomberg. Equity-index returns are price only, others are total returns.
*100 basis points = 1 percentage point.
**Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Important information

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

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