Stocks end the week in the mix.

The economy

- Major U.S. equity market indexes saw mixed performance during the week ending June 20, as investors' generally took a favorable view of the Federal Reserve's (Fed) monetary policy announcement and economic projections, as well as a notable development in the military conflict between Israel and Iran. The Dow Jones Industrial Average and the tech-heavy Nasdaq Composite Index posted small gains for the week. The broad-market S&P 500 Index declined modestly due to a slump in shares of semiconductor manufacturers, including Nvidia Corp., on Friday after the Wall Street Journal reported that a U.S. Commerce Department official informed three major chipmakers that he wanted to revoke waivers to access U.S. technology in China.
- As widely anticipated, the Federal Open Market Committee (FOMC) left the federal-funds rate unchanged in a range of 4.25% to 4.50% following its meeting on Tuesday and Wednesday. In a statement announcing the rate decision, the FOMC noted that, despite fluctuating U.S. trade policy, the economy appears to be on relatively solid footing. "Although swings in net exports have affected the data, recent indicators suggest that economic activity has continued to expand at a solid pace," the central bank commented.
- The Fed's so-called dot plot of economic projections indicated a median federal-funds rate of 3.9% at the end of 2025, unchanged from its previous estimate issued in March, signaling that the central bank anticipates two federal-funds rate cuts by the end of this year. The Fed estimated that core inflation, as measured by the core personal-consumption expenditures (PCE) price index, will rise by an annual rate of 3.1% this year—up from the central bank's 2.8% forecast in March. The PCE price index is widely considered the Fed's preferred measure of inflation as it measures the prices that consumers pay for goods and services to reveal underlying inflation trends. Additionally, the FOMC estimated that U.S. gross domestic product (GDP) will increase 1.4% in 2025—a downward revision from the projected 1.7% annual growth rate in its previous dot plot.
- At a news conference following the FOMC meeting, Fed Chair Jerome Powell noted that the central bank expects the impact of U.S. trade policy to become clearer within the next several months. "We feel like we will learn a great deal more over the summer on tariffs," he said. Regarding his assessment of current Fed policy, Powell commented, "We believe that the current stance of monetary policy leaves us well positioned to respond in a timely way to potential economic developments."
- Israel and Iran continued to exchange fire after the Israeli government launched targeted attacks 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. On Friday, President Donald Trump said that he will allow some time for negotiations in the conflict before deciding whether the U.S. should conduct military strikes on Iran's nuclear facilities.
- The Census Bureau reported that U.S. retail and food services sales—a gauge of consumer spending—decreased 0.9% in May, down from the 0.1% dip in April. Sales increased 3.3% over the previous 12-month period. Sales for motor vehicle and parts dealers were down 3.5% in May following an 8.9% surge in April as consumers rushed to purchase vehicles before the implementation of U.S. tariffs on imports. Furniture and home furnishings stores and nonstore retailers posted year-over-year sales gains of 8.8% and 8.3%, respectively. In contrast, sales for gasoline stations fell 6.9% over the previous 12-month period as gasoline prices declined sharply.

Stocks

- Global equities fell slightly during the week. Emerging markets outperformed developed markets.
- U.S. equities saw mixed results. Energy and information technology were the top-performing sectors, while financials and telecommunications were the primary market laggards.
- Value stocks outperformed growth, while small caps outpaced large caps.

Bonds

- The 10-year U.S. Treasury note yield declined to 4.38% during the week.
- Global bond markets finished in negative territory for the week.
- High yield bonds led the markets, followed by corporate bonds and government bonds.

The Numbers as of June 20, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	-0.4%	5.3%	10.1%	885.8
MSCI EAFE ($)	-1.5%	13.9%	10.6%	2575.2
MSCI Emerging Mkts ($)	0.0%	10.6%	8.6%	1189.9
US & Canadian Equities				
Dow Jones Industrials ($)	0.0%	-0.8%	7.8%	42206.8
S&P 500 ($)	-0.2%	1.5%	9.0%	5967.8
NASDAQ ($)	0.2%	0.7%	9.7%	19447.4
S&P/ TSX Composite (C$)	0.0%	7.2%	22.8%	26497.6
UK & European Equities				
FTSE All-Share (£)	-0.7%	6.7%	5.7%	4765.3
MSCI Europe ex UK (€)	-1.4%	6.3%	2.4%	1875.7
Asian Equities				
Topix (¥)	0.5%	-0.5%	1.7%	2771.3
Hong Kong Hang Seng ($)	-1.5%	17.3%	28.3%	23530.5
MSCI Asia Pac. Ex-Japan ($)	-0.1%	10.0%	9.5%	626.6
Latin American Equities				
MSCI EMF Latin America ($)	-0.3%	22.2%	3.7%	2264.6
Mexican Bolsa (peso)	-2.0%	13.6%	5.5%	56264.7
Brazilian Bovespa (real)	-0.1%	14.0%	13.8%	137115.8
Commodities ($)				
West Texas Intermediate Spot	2.7%	4.5%	-8.8%	74.9
Gold Spot Price	-1.7%	28.5%	43.1%	3371.5
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	-0.1%	6.0%	6.9%	491.0
JPMorgan Emerging Mkt Bond	0.1%	4.2%	7.7%	934.5
10-Year Yield Change (basis points*)				
US Treasury	-2	-19	12	4.38%
UK Gilt	-1	-3	48	4.54%
German Bund	-2	15	9	2.52%
Japan Govt Bond	-1	30	44	1.40%
Canada Govt Bond	-7	8	-4	3.30%
Currency Returns**				
US$ per euro	-0.2%	11.3%	7.7%	1.152
Yen per US$	1.4%	-7.1%	-8.1%	146.09
US$ per £	-0.9%	7.5%	6.3%	1.345
C$ per US$	1.1%	-4.5%	0.3%	1.374

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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