WEEKLY MARKET UPDATE | JUNE 27, 2025

Hopes for a break in hostilities in the Middle East boost stocks.

The economy

- U.S. stocks posted gains for the week ending June 27, amid signs of easing geopolitical tensions in the Middle East, as well as a possible U.S.-China trade agreement. The broad-market S&P 500 Index and the tech-heavy Nasdaq Composite Index closed at record highs on Friday.
- Early Sunday morning (Iran local time), the U.S. conducted targeted military strikes on several of Iran's nuclear facilities. U.S. military forces dropped 14 Massive Ordnance Penetrators (dubbed "bunker-buster bombs") on the Fordow and Natanz nuclear sites in Iran, and fired additional precision-guided weapons at the Isfahan nuclear site, in an attempt to hamper the Iranian government's efforts to enrich uranium over concerns that it could be used in the production of nuclear weapons. The Trump administration said that the attacks severely damaged the nuclear facilities.
- In a social media post on Monday evening, President Donald Trump announced that Israel and Iran had agreed to a ceasefire in the conflict. "On the assumption that everything works as it should, which it will, I would like to congratulate both Countries, Israel and Iran, on having the Stamina, Courage, and Intelligence to end, what should be called, 'THE 12 DAY WAR,'" Trump wrote in his post. During a news conference at the North Atlantic Treaty Organization (NATO) summit in the Netherlands on Wednesday, Trump said that the U.S. and Iran had agreed to meet next week. However, Iran's Foreign Minister subsequently denied that any talks were scheduled.
- Late Thursday evening, U.S. Commerce Secretary Howard Lutnick announced that the U.S. and China had completed a trade agreement that the countries negotiated last month during talks in Geneva, Switzerland. Lutnick also said that the U.S. was close to finalizing trade agreements with 10 other countries.
- During testimony before the House Financial Services Committee on Tuesday, Federal Reserve (Fed) Chair Jerome Powell said that the central bank is focused on ensuring that any one-off price increases resulting from tariffs will not lead to ongoing inflation. "The effects on inflation could be short lived—reflecting a one-time shift in the price level. It is also possible that the inflationary effects could instead be more persistent," Powell commented.
- The Department of Commerce reported that the personal-consumption expenditures (PCE) price index edged up 0.1% for the second consecutive month in May. The index advanced 2.3% year-over-year, modestly higher than the 2.1% annual increase in April. The core PCE price index, which excludes volatile food and energy prices, increased 0.2% in May following a 0.1% rise in April. The year-over-year advance of 2.7% was up from the 2.5% annual upturn in April. The PCE price index is widely considered the Federal Reserve's preferred measure of inflation as it tracks the prices that consumers pay for goods and services to reveal underlying inflation trends.
- According to the third estimate from the Department of Commerce, U.S. gross domestic product (GDP) decreased at an annual rate of 0.5% in the first quarter of 2025—sharply lower than the 2.4% rise in the fourth quarter of 2024, and down from the government's second estimate of a 0.2% dip. The economic contraction in the first quarter was attributable mainly to a surge in imports (a subtraction from GDP) as businesses rushed to purchase goods before the Trump administration's import tariffs took effect in early April. GDP also was hampered by a drop in government spending.

Stocks

- Global equities rose sharply during the week. Emerging markets outperformed developed markets.
- U.S. equities garnered positive returns. Communication services and information technology were the top-performing sectors, while energy and consumer staples were the primary market laggards.
- Growth stocks outperformed value, while large caps outpaced small caps.

Bonds

- The 10-year U.S. Treasury note yield declined to 4.27% during the week.
- Global bond markets finished in negative territory for the week.
- Government bonds led the markets, followed by corporate bonds and high-yield bonds.

The Numbers as of June 27, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	2.7%	8.1%	13.2%	909.7
MSCI EAFE ($)	2.0%	16.2%	13.5%	2627.2
MSCI Emerging Mkts ($)	3.1%	14.1%	13.4%	1226.9
US & Canadian Equities				
Dow Jones Industrials ($)	3.8%	3.0%	11.9%	43819.3
S&P 500 ($)	3.4%	5.0%	12.6%	6173.1
NASDAQ ($)	4.2%	5.0%	13.5%	20273.5
S&P/ TSX Composite (C$)	0.7%	7.9%	21.6%	26692.3
UK & European Equities				
FTSE All-Share (£)	0.6%	7.3%	7.5%	4793.1
MSCI Europe ex UK (€)	0.2%	6.4%	3.5%	1878.7
Asian Equities				
Topix (¥)	2.5%	2.0%	1.7%	2840.5
Hong Kong Hang Seng ($)	3.2%	21.1%	37.1%	24284.2
MSCI Asia Pac. Ex-Japan ($)	3.0%	13.3%	14.2%	645.1
Latin American Equities				
MSCI EMF Latin America ($)	2.0%	24.7%	5.9%	2310.9
Mexican Bolsa (peso)	2.0%	15.9%	9.7%	57366.4
Brazilian Bovespa (real)	-0.1%	13.9%	10.2%	136946.6
Commodities ($)				
West Texas Intermediate Spot	-12.9%	-9.0%	-20.2%	65.2
Gold Spot Price	-2.8%	24.9%	40.9%	3277.7
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	1.1%	7.2%	8.6%	496.6
JPMorgan Emerging Mkt Bond	0.9%	5.1%	8.8%	943.2
10-Year Yield Change (basis points*)				
US Treasury	-11	-30	-2	4.27%
UK Gilt	-3	-6	37	4.50%
German Bund	7	23	14	2.59%
Japan Govt Bond	4	34	36	1.44%
Canada Govt Bond	0	8	-17	3.31%
Currency Returns**				
US$ per euro	1.7%	13.1%	9.4%	1.172
Yen per US$	-1.0%	-8.0%	-10.0%	144.67
US$ per £	2.0%	9.6%	8.5%	1.372
C$ per US$	-0.3%	-4.8%	0.0%	1.370

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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