WEEKLY MARKET UPDATE | JULY 25, 2025

Stocks gain in a trade policy trade.

The economy

- Major U.S. equity market indexes moved higher for the week ending July 25 amid investors' optimism regarding the Trump administration's tariff deals with two large trading partners, as well as generally positive corporate earnings reports. Both the broad-market S&P 500 Index and the tech-heavy Nasdaq Composite Index ended the week at record highs.
- In a social-media post on Tuesday evening, President Donald Trump announced that the U.S. had reached a trade deal with Japan. Under the terms of the agreement, the U.S. will impose a 15% tariff on imported goods from Japan—a significant reduction from the Trump administration's previously stipulated 25% tariff. Additionally, Trump said that Japan will invest $550 billion in the U.S., including energy infrastructure and semiconductor manufacturing.
- The Trump administration also engaged in trade talks with the European Union (EU). A proposed agreement would place a 15% tariff for most EU exports to the U.S. This would replace the current 10% tariff and avoid layering on top of existing tariffs. Steel and aluminum would remain subject to 50% tariffs. The EU proposed tariffs worth over $100 billion if no deal is reached by August 7. On Friday, Trump commented, "We have a 50-50 chance—maybe less than that—but a 50-50 chance of making a deal with the EU."
- The Conference Board Leading Economic Index® (LEI), which is designed to signal peaks and troughs in the U.S. business cycle, dipped 0.3% to 98.8% in June. The LEI fell 2.8% for the first half of 2025, a larger downturn than the 1.3% decline over the second half of 2024. Seven of the 10 leading indicators within the LEI moved higher in June, led by the strong performance of the U.S. broad-market S&P 500 Index. However, these gains were offset by declines in average consumer expectations for business conditions and the Institute for Supply Management (ISM) New Orders Index.
- The Department of Labor announced that initial unemployment insurance claims, a barometer of the health of the labor market, decreased by 4,000 to a three-month low of 217,000 during the week ending July 19. The total was significantly lower than the 236,000 claims filed during the same week in 2024. The four-week moving average of initial claims declined by 5,000 week-over-week to 224,500, and was well below the four-week average of 234,000 a year earlier.
- It appears that prospective homebuyers remain hesitant to enter the real estate market amid record-high home prices and elevated mortgage rates. The National Association of Realtors (NAR) reported that sales of existing homes were down 2.7% in June to an annualized rate of 3.93 million, and were flat over the previous 12-month period. (Home sales are viewed as an indicator of housing market trends, and, by extension, the health of the broader economy.) Additionally, the median sale price rose 2.0% year-over-year to a record high of $435,300. The inventory of unsold existing homes fell 0.6% to 1.53 million as of June 30, representing a 4.7-month supply at the current monthly sales pace. The NAR considers a six-month supply of homes to be a "balanced market," in which prices rise modestly. Inventories of greater than six months typically have favored buyers, while a supply of homes that will be depleted in less than six months denotes a "seller's market."
- The Mortgage Bankers Association (MBA) reported that mortgage applications in the U.S. rose 0.8% during the week ending July 18, compared to the previous seven-day period. The MBA's Refinance Index decreased 3.0% for the week but surged 22.0% over the previous 12-month period. The Purchase Index advanced 4.0% and 22.0% for the week and year-over-year, respectively.

Stocks

- Global equities posted gains during the week. Developed markets outperformed emerging markets.
- U.S. equities garnered positive returns for the week. Healthcare and materials were the top-performing sectors, while consumer staples and information technology were the primary market laggards.
- Growth stocks outperformed value, while small caps outpaced large caps.

Bonds

- The 10-year U.S. Treasury note yield dipped to 4.38% during the week.
- Global bond markets gained ground during the week.
- Government bonds led the markets, followed by high-yield bonds and corporate bonds.

The Numbers as of July 25, 2025	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI ($)	1.4%	11.9%	18.1%	941.4
MSCI EAFE ($)	2.8%	20.0%	16.7%	2714.6
MSCI Emerging Mkts ($)	1.4%	17.8%	18.0%	1267.3
US & Canadian Equities				
Dow Jones Industrials ($)	1.3%	5.5%	12.4%	44901.9
S&P 500 ($)	1.5%	8.6%	18.3%	6388.6
NASDAQ ($)	1.0%	9.3%	22.9%	21108.3
S&P/ TSX Composite (C$)	0.7%	11.2%	21.6%	27494.0
UK & European Equities				
FTSE All-Share (£)	1.4%	10.9%	10.6%	4956.0
MSCI Europe ex UK (€)	0.7%	9.0%	7.4%	1923.4
Asian Equities				
Topix (¥)	4.1%	6.0%	8.9%	2951.9
Hong Kong Hang Seng ($)	2.3%	26.6%	49.3%	25388.4
MSCI Asia Pac. Ex-Japan ($)	1.4%	17.2%	19.4%	667.4
Latin American Equities				
MSCI EMF Latin America ($)	0.8%	22.5%	3.7%	2268.7
Mexican Bolsa (peso)	1.8%	15.7%	8.2%	57281.7
Brazilian Bovespa (real)	0.1%	11.0%	6.0%	133525.7
Commodities ($)				
West Texas Intermediate Spot	-0.2%	-6.3%	-15.5%	67.2
Gold Spot Price	-0.7%	26.9%	40.9%	3329.8
Global Bond Indices ($)				
Bloomberg Global Aggregate ($)	0.2%	3.4%	4.3%	2263.4
JPMorgan Emerging Mkt Bond	0.6%	6.1%	8.9%	951.7
10-Year Yield Change (basis points*)				
US Treasury	-4	-19	14	4.38%
UK Gilt	-4	7	51	4.63%
German Bund	2	35	30	2.72%
Japan Govt Bond	6	50	55	1.61%
Canada Govt Bond	-5	30	15	3.53%
Currency Returns**				
US$ per euro	1.0%	13.4%	8.2%	1.174
Yen per US$	-0.8%	-6.1%	-4.1%	147.66
US$ per £	0.1%	7.3%	4.5%	1.343
C$ per US$	-0.2%	-4.7%	-0.9%	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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