

Last Week at a Glance

Global equities appreciated through Thursday, supported by trade negotiations and weaker-than-expected US inflation. On Friday, equity markets sharply reversed course following news of Israeli airstrikes on Iran. Oil prices closed up 7% for the day, while gold futures ended at a new record high.

- US-China trade negotiations made progress, with a framework agreement to reduce tariffs providing some relief to markets. US Treasury Secretary Scott Bessent indicated that the 90-day pause on tariffs could be extended for countries in constructive negotiations, while President Donald Trump suggested new unilateral tariffs may be forthcoming.
- European equity markets underperformed as economic releases surprised to the downside. UK GDP contracted 0.3% in April, while euro area industrial output fell and its trade surplus shrank.
- US CPI for May was slightly softer than expected, with headline inflation rising 2.4% and core inflation, 2.8%, year-over-year. US Treasury yields declined, reflecting higher expectations for Federal Reserve rate cuts later this year. Yields in other major sovereign markets followed suit.
- On Friday, Israeli forces launched a series of airstrikes targeting Iranian nuclear sites and military leaders. The escalation triggered a flight to safety: equities fell, oil and gold prices spiked, and the US dollar—having just touched a three-year low—rose modestly as investors sought safe-haven assets. Iran and Israel continued to exchange strikes over the weekend, with Israeli attacks extending to Iran's energy infrastructure.

MARKET PERFORMANCE

As of June 15, 2025 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	-0.4	0.9	3.9
Developed Markets	-0.6	0.7	3.5
United States	-0.4	1.1	2.1
Euro Area	-2.2	-1.2	12.3
United Kingdom	0.1	0.9	10.2
Japan	-0.5	-1.9	-1.1
Emerging Markets	0.7	2.6	8.4
Fixed Income			
US Aggregate	0.7	0.2	2.7
US Treasuries	0.6	0.1	2.6
US Corporate IG	0.7	0.4	2.7
US Corporate HY	0.1	0.5	3.2
Real Assets			
Global Equity REITs	-0.1	-0.2	3.9
Global Natural Resources	4.3	6.6	7.3
Gold Bullion	3.1	4.3	30.5
Currencies			
EUR/USD	1.4	1.7	11.5
GBP/USD	0.4	0.7	8.4
USD/JPY	-0.5	-0.1	-8.3



Sources: Bloomberg Index Services Limited, MSCI Inc., and Thomson Reuters Datastream. MSCI data provided "as is" without any express or implied warranties. Notes: This edition was prepared on June 15, 2025, and it reviews developments of the prior week. The equity data are total returns net of dividend taxes of MSCI indexes in local currency. Global natural resources equities are represented by the MSCI All Country World Commodity Producers Index. The fixed income data are total returns for Bloomberg indexes. Gold Bullion uses near-month gold futures contracts, as traded on the COMEX, to determine performance. Currency performance is based on Reuters data.