

Last Week at a Glance

Global equities rallied last week after the US announced trade deals with various Asian economies. Fixed income posted modest gains while the US dollar declined as investors looked to key central bank decisions over these two weeks.

- The US reached trade deals with Japan, Indonesia, and the Philippines last week that would result in a lowering of tariffs from previously announced levels. Notably, tariffs on Japan for most goods, including automobiles, have been reduced from 25% to 15%, which triggered a sharp rally in Japanese equities. While Euro Area equities lagged global peers last week, over the weekend, the US and the EU reached a similar agreement that would set US tariffs on the EU at 15%.
- Flash composite PMIs released last week showed an improvement in activity across major developed markets, namely the US and Europe. Activity was largely supported by resilience in the services sector, while that for the manufacturing sector was weaker.
- Amid a tentative improvement in the Eurozone's economic activity, the ECB held rates steady at 2.0% as expected at last week's policy meeting. Meanwhile, US Treasury yields were relatively unchanged ahead of the upcoming FOMC meeting, resulting in modest gains in US fixed income.
- Gold declined modestly last week despite the US dollar being flat to down against other major developed markets currencies, given optimism over trade deals. While the Fed is expected to be on hold in July, markets still expect the Fed to cut rates later this year. In contrast, the ECB is near the end of its rate cut cycle and the BOJ is expected to resume rate hikes.

MARKET PERFORMANCE

As of July 27, 2025 • Local Currency • Percent (%)

Equities	Last Week	This Month	This Year
Global	1.3	2.9	10.1
Developed Markets	1.4	2.8	9.6
United States	1.4	3.0	9.3
Euro Area	0.3	1.4	14.5
United Kingdom	1.6	4.3	13.7
Japan	4.6	3.3	6.0
Emerging Markets	0.7	3.7	14.9
Fixed Income			
US Aggregate	0.4	-0.4	3.6
US Treasuries	0.3	-0.6	3.2
US Corporate IG	0.6	-0.1	4.1
US Corporate HY	0.4	0.5	5.1
Real Assets			
Global Equity REITs	1.5	2.3	5.9
Global Natural Resources	2.2	4.5	9.4
Gold Bullion	-0.6	1.5	26.9
Currencies			
EUR/USD	0.7	-0.1	13.3
GBP/USD	-0.1	-2.0	7.2
USD/JPY	-0.5	2.3	-6.0