Weekly Commentary

Key weekly points: **June 30, 2025**

- U.S. Economic indicators were mixed. Durable goods orders in May rose 16.4%, exceeding expectations, while initial jobless claims dropped to 236,000, the lowest level since mid-May. However, the third revision to first-quarter GDP showed a deeper contraction of 0.5%, and consumer spending came in softer than anticipated.
- New home sales in May missed expectations, falling to their lowest level since October 2023. Other housing indicators and soft service sector data suggest continued pressure on consumer demand. The upcoming release of the Personal Consumption Expenditures price index could influence Federal Reserve rate expectations.
- Geopolitical developments helped reduce market volatility. The ceasefire between Israel and Iran held despite isolated attacks, and oil prices dropped sharply as fears of a major conflict faded. Meanwhile, speculation grew around President Donald Trump potentially naming a successor to the current Federal Reserve Chair, which may influence expectations for the future path of interest rates.
- The S&P 500 rose 3.44% for the week, reaching a new all-time high of 6,173.10. The rally was supported by a ceasefire between Israel and Iran, trade progress with China, and inflation data that matched expectations. The NASDAQ gained 4.25%, driven by continued strength in technology stocks, especially artificial intelligence-related names. The Russell 2000 advanced 3.0%, benefiting from improved investor risk sentiment.
- Sector performance was led by communication services, which gained 6.2%, followed by technology and consumer discretionary. Meta Platforms rose 7.5% after reports of new artificial intelligence developments. Energy was the worst performer, falling 3.5% due to sharp declines in crude oil prices as Middle East tensions eased.
- Yields on United States Treasury securities shifted lower on the short end of the curve, producing a bull steepening pattern. The move reflected market expectations for interest rate cuts as economic data weakened.
- U.S. Investment-grade corporate bond issuance was robust, with approx US$ 36.9 bn in new deals. U.S. High-yield debt markets saw strong demand, as fears of broader conflict in the Middle East receded and investor appetite for risk returned. Corporate spreads stay resilient and are trading closer to this year's lowest levels .

Global Equity Markets

Major Equity Indexes				
United States	Value	WTD	MTD	YTD
S&P 500	6,173.1	3.44%	4.42%	4.96%
Dow Jones	43,819.3	3.82%	3.67%	3.00%
Nasdaq	20,273.5	4.25%	6.07%	4.99%
Russell 2000 (US Small Cap)	2,172.5	3.00%	5.14%	-2.58%
Europe	Value	WTD	MTD	YTD
Euro Stoxx (Euro)	5,325.6	1.76%	-0.76%	8.78%
FTSE 100 (UK)	8,798.9	0.28%	0.30%	7.66%
CAC 40 (France)	7,691.6	1.34%	-0.78%	4.21%
DAX (Germany)	24,033.2	2.92%	0.15%	20.71%
Ibex 35 (Spain)	13,969.0	0.86%	-1.29%	20.47%
Asia	Value	WTD	MTD	YTD
Nikkei (Japan)	40,150.8	4.55%	5.76%	0.64%
Hang Seng (Hong Kong)	24,284.2	3.20%	4.27%	21.06%
CSI 300 (China)	3,921.8	1.95%	2.12%	-0.33%
Latam	Value	WTD	MTD	YTD
Brazil Bovespa	136,865.8	-0.18%	-0.12%	13.79%
Mexico	57,391.5	2.00%	-0.78%	15.91%

Volatility	Value	7d	30d	Start of Year
VIX	16.3	20.6	19.0	17.9

Commodities	Value	WTD	MTD	YTD
Oil (WTI)	65.5	-12.56%	7.78%	-8.64%
Gold (Spot - USD/Oz)	3,274.3	-2.79%	-0.45%	24.76%
Silver (Spot - USD/Oz)	36.4	0.07%	9.11%	20.58%
Copper (USD/MT)	9,878.0	2.54%	4.00%	12.66%
Zinc (USD/MT)	2,779.0	5.65%	6.07%	-6.70%
Bitcoin	107,169.8	3.32%	2.23%	14.36%

Global Fixed Income Markets

Government Bonds Yields				
United States	Value	7d	30d	Start of Year
FED Rate (Effective Rate)	4.33	4.33	4.33	4.33
US Treasury 2y	3.75	3.91	3.98	4.24
US Treasury 10y	4.28	4.38	4.44	4.56
International	Value	7d	30d	Start of Year
Germany 10y	2.59	2.52	2.53	2.38
France 10y	3.26	3.24	3.20	3.23
UK 10y	4.50	4.54	4.66	4.59
LatAm (USD)	Value	7d	30d	Start of Year
Brazil 10y	6.58	6.67	6.71	7.15
Mexico 10y	6.11	6.20	6.46	6.68
Colombia 10y	7.99	8.08	8.02	7.72
Dom Rep 10y	6.49	6.55	6.61	6.67
Panama 10y	6.97	7.04	7.30	7.71
Salvador 10y	8.21	8.30	8.39	8.05

Corporate Spreads	Value	7d	30d	Start of Year
US Investment Grade (IG)	0.85	0.85	0.89	0.80
US High Yield (HY)	2.92	2.99	3.16	2.82
EM Latam	3.04	3.08	3.14	3.30
CDX EM*	97.30	96.99	96.90	97.03

Foreign Exchange Markets	Value	WTD	MTD	YTD
Dollar Index (DXY)	97.40	-1.32%	-1.94%	-10.22%
Euro	1.17	1.69%	3.27%	13.17%
UK Pound	1.37	1.97%	1.91%	9.59%
Brazilian Real	5.49	0.50%	4.35%	12.53%
Mexican Peso	18.82	1.86%	3.25%	10.64%
Colombian Peso	4099.51	-0.07%	1.49%	7.50%
Chilean Peso	941.48	0.24%	0.54%	5.94%
Dominican Peso	59.57	-0.31%	-0.90%	2.57%
Costa Rican Colon	505.98	0.20%	0.20%	0.87%

Source: Bloomberg. As of June 27, 2025. *Markit CDX Emerging Markets Index is quoted in price.