

# Weekly Recap

## USA

President Donald Trump said that the US and China are "very close" to extending their trade truce, which has helped slow the escalation of tariffs. He also warned of new tariffs, announcing tariffs of up to 250% on pharmaceutical imports and 100% on semiconductors, seeking to boost local production.

In trade terms, the deficit narrowed to \$60.2 billion in June, the lowest since September 2023, thanks to a sharp drop in imports (-3.7%), mainly of cars, crude oil, and pharmaceutical products. The goods deficit also contracted sharply, to USD 84.85 billion, reflecting lower demand for consumer goods and industrial inputs.

Activity indicators offered mixed signals. The S&P Global Composite PMI rose to 55.1 in July, showing solid expansion driven by services. However, the ISM services index fell to 50.1, bordering on stagnation. On the other hand, labor productivity rose 2.4% q/q, while unit labor costs increased 1.6%, representing a slowdown compared to the previous quarter.

On the financial front, household debt reached a record USD 18.39 trillion, with increases in student and housing loans. In addition, consumer credit grew by USD 7.37 billion in June, slightly above expectations.

This was another intense week of corporate results in the US, with 125 companies reporting their quarterly balance sheets. Currently, 90% of the S&P 500 has reported, with 81% of companies exceeding analysts' earnings estimates. In addition, at the aggregate level, they exceeded estimates by 8.42% in earnings and 2.33% in sales. Despite macroeconomic uncertainty due to the trade war, profits grew by 11.41% year-on-year, with the communications (+44.1%), technology (+16.3%) and financial (+15.7%) sectors standing out. Similarly, we highlight the sharp 19.5% decline in the energy sector given low oil prices.

## EUROPE

The services and composite PMIs rose slightly in July, pointing to a moderate but still fragile recovery in economic activity. The composite PMI stood at 50.9, its highest level in seven months, and the services PMI at 51.0, although both were slightly below preliminary estimates. On the other hand, we highlight that industrial prices rebounded 0.8% m/m in June, after three months of declines, driven by energy (+3.2%). In contrast, construction continued to contract, with the PMI falling to 44.7, and retail sales rebounded 0.3% m/m, led by food and non-food products.

## UNITED KINGDOM

The composite PMI fell to 51.5 in July, reflecting a slowdown in services (51.8) and a persistent contraction in manufacturing (48.0). Despite the decline, overall activity remains in expansionary territory for the third consecutive month. In the real estate market, the Halifax index showed an annual increase of 2.4% in July, the lowest since July 2024, although on a monthly basis it rose 0.4%, exceeding expectations. The Bank of England cut its interest rate by 25 basis points to 4%, its lowest level since March 2023. The decision was divided (5 to 4) and represents the fifth consecutive cut, ahead of the Federal Reserve, amid concerns about growth and persistent inflation.

## ASIA

The Japanese economy is showing a moderate recovery, with the composite PMI at 51.6 and services at 53.6, its highest level since February. The leading index rose to 106.1 in June, reflecting confidence, although household spending slowed to 1.3% year-on-year, affected by inflation and US tariffs. In response, the government cut its growth forecast for 2025 from 1.2% to 0.7%. On a positive note, the US agreed to remove overlapping tariffs on Japanese products.

In China, the trade surplus was USD 98.24 billion, lower than expected but higher than the previous year. Exports grew 7.2% annually, accelerating from June. Although the composite PMI fell to 50.8, the Caixin services PMI rebounded to 52.6, suggesting a slight stabilization in some sectors.

Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			2,56	8,61	8,61	23,69
USD	DOW JONES INDUS. AVG	44.175,61	1,37	4,85	4,85	15,41
USD	S&P 500 INDEX	6.389,45	2,44	9,46	9,46	23,53
USD	NASDAQ COMPOSITE	21.450,02	3,88	11,52	11,52	32,13
BRL	BRAZIL IBOVESPA INDEX	135.913,25	2,62	12,99	28,74	7,07
ARS	S&P Merval TR ARS	2.300.926,00	0,97	-9,18	-29,19	61,76
CLP	S&P/CLX IPSA (CLP) TR	8.520,66	4,40	26,98	30,46	35,01
MXN	S&P/BMV IPC	58.045,59	2,01	20,10	34,95	14,75
EUROPE			2,81	16,37	29,64	23,45
EUR	Euro Stoxx 50 Pr	5.347,74	3,57	12,22	26,39	17,87
GBP	FTSE 100 INDEX	9.095,73	0,51	13,95	22,41	15,68
EUR	DAX INDEX	24.162,86	3,15	21,37	36,10	37,34
EUR	CAC 40 INDEX	7.743,00	2,61	7,98	21,62	9,54
EUR	FTSE MIB INDEX	41.623,86	4,21	26,35	41,69	36,80
ASIA			1,73	36,90	15,58	33,76
JPY	NIKKEI 225	41.820,48	3,80	28,53	12,71	22,43
CNY	CSI 300 INDEX	4.104,97	0,89	25,93	8,23	26,26
HKD	HANG SENG INDEX	24.858,82	0,51	56,23	25,78	52,61
GLOBAL						
USD	ISHARES MSCI ACWI ETF	131,86	2,76	13,08	13,08	23,65
USD	MSCI WORLD	4.098,08	1,90	11,82	11,82	23,77
USD	MSCI EM	1.260,46	2,87	19,56	19,56	23,36
USD	MSCI AC ASIA PACIFIC	208,87	2,35	16,97	16,97	23,39
USD	MSCI EM LATIN AMERICA	2.314,29	4,06	29,06	29,06	12,95
Fixed Income						
GLOBAL		1.206,31	0,51	7,14	7,14	8,60
USD	Global Aggregate	495,71	0,49	6,96	6,96	4,65
USD	EM USD Aggregate	1.330,31	0,47	6,58	6,58	9,00
USD	Global High Yield	1.792,91	0,56	7,89	7,89	12,13
Commodities						
USD	BBG Commodity	100,79	0,17	2,06	2,06	6,28
USD	Oro	3.394,66	0,93	29,36	29,36	39,84
USD	WTI	63,50	-5,69	-8,26	-8,26	-16,66
USD	Soja	354,12	0,52	-6,39	-6,39	-4,26

Source: Bloomberg. Information as of August 8, 20<sup>th</sup> , at market close.

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