

Weekly Recap

USA

The week closed with a heavy news load in the economic, political and geopolitical spheres, generating direct impacts on the financial markets of the United States and the world. On the one hand, lower-than-expected inflation data was released in the US, there were diplomatic advances with China on trade issues, and on the other hand, a military attack by Israel against Iran raised tensions in the Middle East, causing a strong reaction in the prices of oil, gold and defense stocks.

On the economic front, inflation data for May showed a greater cooling than anticipated. The consumer price index (CPI) rose by only 0.1% month-on-month and 2.4% year-on-year, below market expectations. Core inflation remained at 2.8% y/y, also below expectations. This was compounded by an equally weak producer price report (PPI), with a monthly variation of 0.1% in both its general and core versions. These figures reinforced the view of an ongoing disinflationary process, increasing the likelihood of two rate cuts by the Federal Reserve in the remainder of the year. As a result, Treasury bond yields fell, also helped by successful auctions of long-term debt.

On the international front, US and Chinese economic representatives met in London to ratify the trade agreement reached in May in Geneva. A relaxation of export controls was announced: The US will allow more aircraft engines to be exported and China will facilitate access to rare minerals. However, existing tariffs remained unchanged at 10% for US products and an average of 55% on Chinese imports. Despite this, analysts noted that the tone of the meeting was constructive, and Goldman Sachs even raised its GDP growth forecast for 2025 to 1.25%, while reducing the probability of recession to 25%.

But the main event of the week came on Friday, when Israeli forces launched attacks on military and nuclear facilities in Iran, killing several senior Iranian commanders. The offensive followed the IAEA statement finding Iran in violation of its nuclear commitments, and after the U.S. ordered diplomatic personnel evacuated from Baghdad for fear of retaliation. Although Washington was not involved in the attack, President Trump urged Iran to negotiate before "it's too late." Iran responded by launching drones, which were intercepted, and announced plans to build a new uranium enrichment plant.

Global markets reacted strongly: oil prices soared on the threat of a possible blockade of the Strait of Hormuz, which boosted energy stocks. Defense companies rallied strongly and gold strengthened as a safe-haven asset. Stock indexes retreated from recent highs, reflecting increased risk aversion in a complex geopolitical context.

EUROPE

In the eurozone, there were also mixed economic signals. Industrial production fell by 2.4% in April, its largest contraction since 2023, and the trade surplus narrowed sharply to €9.9 billion, affected by US tariffs on chemicals. Despite this, investor confidence improved slightly in June. We also highlight that European funds attracted \$21 billion in May, reaching their highest inflow in four years, showing interest in the old continent's assets. On the other hand, we highlight that the EU proposed new sanctions against Russia, including an oil price cap of \$45 per barrel.

UNITED KINGDOM

The UK economy contracted by 0.3% in April, its largest monthly decline since October 2023 and the first in six months, beating market expectations. At the same time, the labor market showed signs of cooling: wages grew 5.2% YoY, the slowest pace in seven months, and the unemployment rate rose to 4.6%, its highest level since 2021. Against this backdrop, the Bank of England did not cut rates in June, although a cut is expected in August. On the other hand, it is expected that a trade agreement between London and Washington is imminent.

ASIA

In Japan, there were record share repurchases and progress was announced in trade negotiations with the U.S. China, on the other hand, presented negative inflation (-0.1%) and a weak performance in foreign trade, with exports decelerating (+4.8%) and a larger than expected drop in imports (3.4%).

Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			-0,76	1,02	1,02	12,81
USD	DOW JONES INDUS. AVG	42.197,79	-1,30	-0,01	-0,01	12,95
USD	S&P 500 INDEX	5.976,97	-0,36	2,24	2,24	12,99
USD	NASDAQ COMPOSITE	19.406,83	-0,61	0,83	0,83	12,47
BRL	BRAZIL IBOVESPA INDEX	137.212,63	0,82	14,07	27,13	14,89
ARS	S&P Merval TR ARS	2.127.156,00	-1,37	-16,04	-26,81	39,51
CLP	S&P/CLX IPSA (CLP) TR	8.209,89	0,49	22,35	29,76	26,54
MXN	S&P/BMV IPC	57.462,02	-1,03	18,55	30,89	13,99
EUROPE			-1,99	13,04	25,31	14,76
EUR	Euro Stoxx 50 Pr	5.290,47	-2,54	10,75	23,65	9,88
GBP	FTSE 100 INDEX	8.850,63	0,16	10,44	19,93	12,11
EUR	DAX INDEX	23.516,23	-3,24	18,12	31,31	27,59
EUR	CAC 40 INDEX	7.684,68	-1,47	6,95	19,41	1,92
EUR	FTSE MIB INDEX	39.438,75	-2,86	18,98	32,27	22,27
ASIA			-0,63	27,58	8,49	16,97
JPY	NIKKEI 225	37.834,25	-0,67	16,13	4,45	-0,40
CNY	CSI 300 INDEX	3.864,18	-0,34	17,07	0,63	13,26
HKD	HANG SENG INDEX	23.892,56	-0,87	49,54	20,40	38,04
GLOBAL						
USD	ISHARES MSCI ACWI ETF	125,39	-0,29	6,71	6,71	14,03
USD	MSCI WORLD	3.944,58	0,79	7,44	7,44	14,26
USD	MSCI EM	1.202,74	1,84	13,39	13,39	15,94
USD	MSCI AC ASIA PACIFIC	200,23	1,65	11,65	11,65	14,56
USD	MSCI EM LATIN AMERICA	2.284,01	1,66	26,98	26,98	12,50
Fixed Income						
GLOBAL		1.181,54	0,87	5,31	5,31	9,02
USD	Global Aggregate	493,27	1,18	6,44	6,44	7,27
USD	EM USD Aggregate	1.297,48	0,74	3,95	3,95	8,34
USD	Global High Yield	1.753,88	0,69	5,54	5,54	11,44
Commodities						
USD	BBG Commodity	105,31	1,93	6,63	6,63	-0,07
USD	Oro	3.431,51	3,66	30,78	30,78	48,92
USD	WTI	73,46	13,75	5,30	5,30	-6,56
USD	Soja	391,39	1,06	3,26	3,26	-10,17

Source: Bloomberg. Information as of 13th of June 2025 at market close

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