

Weekly Recap

USA

Donald Trump signed an executive order imposing new tariffs of up to 50% on dozens of countries, which will take effect at 12:01 a.m. on August 7. This measure marks the beginning of so-called "reciprocal" tariffs after weeks of negotiations. Major industrialized economies such as the European Union, Japan, and South Korea will face tariffs of 15%, while other countries with trade surpluses with the US will see tariffs of 10%. Brazil will face a 50% tariff, and Canada a 35% tariff on products that do not comply with the USMCA agreement. At the same time, Trump and Mexican President Claudia Sheinbaum announced a 90-day extension for Mexico to reach a new trade agreement.

On the economic front, US GDP grew 3% annualized in Q2 2025, reversing the 0.5% contraction recorded in Q1 and exceeding market expectations (2.4%). The rebound was mainly driven by a sharp drop in imports (-30.3%), following a sharp increase in the previous quarter, when consumers and businesses rushed to beat the imposition of tariffs.

On the monetary side, the Fed kept interest rates in the 4.25%–4.50% range for the fifth consecutive meeting. However, two governors voted in favor of a cut, something that had not happened since 1993. The Fed pointed to a moderation in economic activity in Q1 2025 and stressed that, while unemployment remains low, inflation remains high, with a highly uncertain environment. In terms of prices, the overall PCE index rose 0.3% month-on-month in June, as did the core PCE (excluding food and energy), both marking their biggest advance in four months. In year-on-year terms, the overall PCE accelerated to 2.6% from 2.4% (revised upward), while the core PCE remained at 2.8%, although with a similar revision for May's figure. The ISM manufacturing PMI fell to 48 in July from 49 in June, missing expectations of a rise to 49.5. The labor market showed signs of cooling: nonfarm payrolls grew by only 73,000 jobs in July, well below the 110,000 expected, and the June figure was sharply revised down to just 14,000. Average hourly earnings rose 0.3% month-on-month to \$36.44, in line with projections. The unemployment rate rose slightly to 4.2% and the labor participation rate fell to 62.2%, its lowest level since November 2022.

Amid uncertainty over tariffs and rates, the US is experiencing another strong corporate earnings season: 82% of companies have surprised positively in terms of profits, with a surprise of 8.21% and 2.54% in sales. In addition, sales grew by 6.01% and profits by 8.65% compared to Q2 2024.

EUROPE

In Q2 2025, eurozone GDP grew 1.4% year-on-year, exceeding market expectations (1.4%) but slowing down compared to the previous quarter (1.5%). Consumer confidence improved in July, reaching its highest level in four months. The labor market remained strong, with unemployment stable at a record low of 6.2% and a reduction of 62,000 unemployed. Industrial activity showed signs of stabilization, with the manufacturing PMI at 49.8, its best level since July 2022. Finally, inflation remained at 2.0% year-on-year, in line with the ECB's target for the second consecutive month, reinforcing the perception of price stability.

UNITED KINGDOM

In July 2025, the UK manufacturing PMI rose to 48, reflecting the mildest deterioration since January and the most moderate contraction in production in nine months. On the other hand, the National House Price Index rose 2.4% year-on-year, exceeding expectations and June's figure, while monthly prices rebounded 0.6%, reversing the previous decline and exceeding forecasts.

ASIA

In July, the BoJ kept its interest rate at 0.5%, the highest level since 2008, while the unemployment rate remained at 2.5% for the fourth consecutive month. The Japanese manufacturing PMI was revised upward to 48.9, although it remained below June's level. In China, the Composite PMI fell to 50.2, reflecting an economic slowdown due to higher US tariffs, with the service sector growing at its slowest pace in eight months and manufacturing contracting for the fourth consecutive month. In addition, the Caixin manufacturing PMI fell to 49.5, marking the second contraction in three months, affected by falling new export orders and global trade uncertainty.

Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			-2,48	5,88	5,88	15,72
USD	DOW JONES INDUS. AVG	43.588,58	-2,92	3,43	3,43	9,95
USD	S&P 500 INDEX	6.238,01	-2,34	6,85	6,85	16,31
USD	NASDAQ COMPOSITE	20.650,13	-2,16	7,36	7,36	20,90
BRL	BRAZIL IBOVESPA INDEX	132.437,39	-0,81	10,10	22,59	4,25
ARS	S&P Merval TR ARS	2.278.849,00	3,72	-10,06	-32,18	53,84
CLP	S&P/CLX IPSA (CLP) TR	8.161,23	-0,74	21,63	24,74	27,10
MXN	S&P/BMV IPC	56.936,01	-0,68	17,81	29,94	12,18
EUROPE			-2,57	13,18	24,67	18,02
EUR	Euro Stoxx 50 Pr	5.165,60	-3,46	8,35	20,81	12,67
GBP	FTSE 100 INDEX	9.068,58	-0,53	13,37	19,95	13,15
EUR	DAX INDEX	23.425,97	-3,27	17,66	30,63	30,02
EUR	CAC 40 INDEX	7.546,16	-3,68	5,24	17,34	6,54
EUR	FTSE MIB INDEX	39.942,82	-1,92	21,25	34,60	27,71
ASIA			-2,17	34,59	13,54	25,96
JPY	NIKKEI 225	40.799,60	-0,48	25,39	9,89	9,11
CNY	CSI 300 INDEX	4.054,93	-1,92	24,35	6,73	21,91
HKD	HANG SENG INDEX	24.507,81	-4,11	54,01	24,00	46,85
GLOBAL						
USD	ISHARES MSCI ACWI ETF	128,32	-2,70	10,04	10,04	15,76
USD	MSCI WORLD	4.076,04	-1,23	11,19	11,19	16,24
USD	MSCI EM	1.243,23	-1,11	17,86	17,86	17,82
USD	MSCI AC ASIA PACIFIC	205,21	-1,48	14,91	14,91	14,87
USD	MSCI EM LATIN AMERICA	2.231,77	-1,49	24,44	24,44	7,77
Fixed Income						
GLOBAL		1.197,87	-0,19	6,27	6,27	8,04
USD	Global Aggregate	489,73	-0,73	5,67	5,67	4,40
USD	EM USD Aggregate	1.321,83	0,41	5,90	5,90	8,42
USD	Global High Yield	1.782,06	-0,25	7,23	7,23	11,29
Commodities						
USD	BBG Commodity	100,62	-2,75	1,88	1,88	4,91
USD	Oro	3.361,50	0,73	28,08	28,08	37,41
USD	WTI	67,23	3,18	-2,82	-2,82	-11,90
USD	Soja	352,29	-3,70	-6,87	-6,87	-5,90

Source: Bloomberg. Information as of August 1, 20st , at market close.

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