



AUGUST-29-2025

BALLESTAS GROUP  
PRIVATE WEALTH MANAGEMENT

# Weekly Recap

## USA

The week in the United States was marked by a combination of economic, market, and political news reflecting a dynamic and uncertain scenario both locally and internationally.

The upward revision of second-quarter GDP was one of the main highlights, as the economy grew at an annual rate of 3.3%, compared to the estimated 3.0%, driven by consumer spending and business investment, which rose 5.7%. The personal consumption expenditure (PCE) index, the Federal Reserve's preferred measure of inflation, remained in line with expectations in July, rising 0.2% month-on-month and 2.6% year-on-year, with the core rate at 2.9%. Orders for durable goods fell less than expected, down 2.8% in July, with a 1.1% increase when excluding aircraft. Currently, rate futures reflect an 85% probability that the Fed will cut 25 basis points at its next meeting on September 17.

On the other hand, we highlight that President Donald Trump finalized the dismissal of Fed Governor Lisa Cook following allegations of real estate irregularities, which led to a lawsuit against her. The controversy threatens the independence of the central bank and will continue in the courts. As a result, the yield curve steepened modestly during the week, with short-term rates falling faster than long-term rates amid perceptions that recent political developments could jeopardize the Fed's independence.

Meanwhile, Trump warned that China must guarantee the supply of rare earth magnets or face tariffs of up to 200%, while 50% tariffs on goods imported from India came into effect. President Trump also threatened an "economic war" against Russia, following the drone and missile offensive on Kiev that left at least 19 dead and thwarted a possible meeting between Putin and Zelensky.

On the corporate front, the Q2 earnings season reached 98% of S&P 500 companies. We highlight that 81% exceeded earnings expectations, with sales surprising by 2.08% and profits by 7.70%. We also highlight that revenues and profits grew by 6.25% and 12.38%, respectively, compared to Q24. Nvidia posted another record quarter, exceeding estimates and with growth of over 50% in revenues and profits. We also note that the Trump administration hinted at possible new acquisitions of stakes in strategic companies, following the purchase of 10% of Intel, reinforcing the idea of growing interventionism in key sectors of the economy.

## EUROPE

The ECB minutes revealed internal disagreements over inflation risks: some members pointed to downward pressures from economic weakness and US tariffs, while others highlighted upside risks linked to energy and exchange rates. Eurozone consumer confidence fell to -15.5 in August, its lowest level in four months. In Germany, inflation rebounded to 2.2% year-on-year in July, exceeding expectations, while unemployment remained at 6.3%, the highest level since 2020. Retail sales fell 1.5% month-on-month, the largest contraction in nearly two years, reflecting weakness in domestic demand.

## UNITED KINGDOM

On the political-economic front, the IPPR proposed a tax on commercial banks to redistribute profits derived from quantitative easing. In the productive sector, automobile manufacturing grew 5.6% y/y in July, accumulating two months of growth, although limited by weakness in commercial vehicles. In monetary policy, Catherine Mann (BoE) stressed that current rates are still not sufficiently restrictive, supporting keeping them high for longer unless downside risks intensify.

## ASIA

Japan presented mixed data, sending conflicting signals. On the one hand, unemployment fell to 2.3% in July, below expectations. On the other hand, industrial production fell 1.6% month-on-month, the largest decline since November 2024, reflecting lower external demand and pressure on key sectors. Retail sales rose 0.3% year-on-year, a sharp slowdown and well below expectations, marking the weakest growth in more than three years. In contrast, consumer confidence improved to 34.9 in August, its highest level in seven months, with widespread improvements in the index components.

Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
Equity Market						
AMERICAS			-0,12	10,24	10,24	18,44
USD	DOW JONES INDUS. AVG	45.544,88	-0,11	8,30	8,30	13,00
USD	S&P 500 INDEX	6.460,26	-0,08	10,78	10,78	17,78
USD	NASDAQ COMPOSITE	21.455,55	-0,18	11,62	11,62	24,53
BRL	BRAZIL IBOVESPA INDEX	141.567,46	2,61	17,69	33,95	2,70
ARS	S&P Merval TR ARS	1.984.845,00	-5,76	-21,66	-39,44	23,48
CLP	S&P/CLX IPSA (CLP) TR	8.899,51	0,51	32,63	36,30	39,71
MXN	S&P/BMV IPC	58.694,66	-0,90	21,60	36,12	17,01
EUROPE			-2,34	16,69	30,51	18,67
EUR	Euro Stoxx 50 Pr	5.351,73	-2,48	12,31	26,99	13,35
GBP	FTSE 100 INDEX	9.187,34	-1,41	15,56	24,69	14,46
EUR	DAX INDEX	23.902,21	-1,89	20,06	35,16	27,99
EUR	CAC 40 INDEX	7.703,90	-3,34	7,44	21,48	5,76
EUR	FTSE MIB INDEX	42.196,20	-2,57	28,09	44,21	31,80
ASIA			-0,75	42,42	21,12	32,07
JPY	NIKKEI 225	42.718,47	-0,15	31,37	15,85	12,69
CNY	CSI 300 INDEX	4.496,76	0,67	38,12	19,58	39,04
HKD	HANG SENG INDEX	25.077,62	-2,78	57,77	27,93	44,48
GLOBAL						
USD	ISHARES MSCI ACWI ETF	133,44	-0,58	14,44	14,44	17,56
USD	MSCI WORLD	4.199,99	0,19	14,73	14,73	17,79
USD	MSCI EM	1.261,26	-0,39	19,85	19,85	18,17
USD	MSCI AC ASIA PACIFIC	211,97	-0,26	18,91	18,91	17,17
USD	MSCI EM LATIN AMERICA	2.407,98	1,42	35,22	35,22	12,01
Fixed Income						
GLOBAL		1.214,86	0,12	7,77	7,77	7,03
USD	Global Aggregate	496,67	0,12	7,17	7,17	3,04
USD	EM USD Aggregate	1.339,87	0,08	7,35	7,35	7,53
USD	Global High Yield	1.808,04	0,15	8,80	8,80	10,50
Commodities						
USD	BBG Commodity	102,79	1,14	4,08	4,08	5,89
USD	Oro	3.448,91	2,29	31,43	31,43	36,79
USD	WTI	64,02	0,57	-6,95	-6,95	-15,66
USD	Soja	379,76	0,02	1,52	1,52	6,47

<sup>th</sup> Source: Bloomberg. Information as of August 29, 2025, at market close.

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