JULY 25, 2025

BALLESTAS GROUP
PRIVATE WEALTH MANAGEMENT

Weekly Recap

USA

It was an intense week in the United States, marked by a series of relevant economic news reflecting an uneven economic expansion. The S&P Global Composite PMI rose to 54.6 in July, reaching its highest level of the year, thanks to a strong rebound in the services sector, whose index climbed to 55.2 points. This improvement suggests that domestic demand remains strong in this segment. However, the manufacturing sector showed weakness, with the PMI falling to 49.5, returning to contractionary territory and below market expectations.

In the real estate market, data also showed mixed signals. Existing home sales fell 2.7% in June, marking their lowest level since September 2024, affected by the rising cost of mortgage credit. In contrast, new home sales grew slightly by 0.6%, although below estimates. In addition, orders for durable goods plummeted 9.3% month-on-month, reversing May's growth. The decline was explained by a sharp contraction in orders for aircraft and capital goods, which raised doubts about business investment in the short term.

In the markets, the most notable news was the historic trade agreement reached between the United States and Japan. The pact, announced on Tuesday, reduces tariffs on Japanese exports, including automobiles, from 25% to 15% and eliminates tariffs on US products imported by Japan. In addition, Tokyo pledged to invest USD 550 billion in the US through capital, loans, and financial guarantees. Increased Japanese purchases of agricultural products, Boeing aircraft, and US military equipment were also agreed upon. Although the 50% tariff on Japanese steel remained in place, the agreement was well received by investors. The Nikkei 225 rose 3.5% on Wednesday and another 1.6% on Thursday, reflecting the relief surrounding the trade tensions. Analysts see this pact as a model for future negotiations with the European Union and other strategic partners.

On the political front, President Donald Trump once again lashed out at the Federal Reserve and its chairman, Jerome Powell. Although he ruled out immediate dismissal, he accused Powell of keeping rates "unnecessarily high" for political reasons, hurting homebuyers. Trump also extended his criticism to the entire central bank board, which he accused of lacking the "courage" to lower rates. The conflict escalated after Trump's visit to the Fed's headquarters in Washington, amid questions about cost overruns in its renovation. The visit was accompanied by Powell, who was visibly uncomfortable, and ended with the president stating that, for the time being, he does not consider his removal necessary. For his part, Treasury Secretary Scott Bessent called for a review of the Fed's internal operations.

EUROPE

The European Central Bank kept interest rates unchanged in July, after eight consecutive cuts, leaving the refinancing rate at 2.15% and the deposit rate at 2.0%. The decision reflects a pause to assess the impact of the new trade environment on the economy and inflation, which reached the 2% target in June. In terms of activity, the Composite PMI rose to 51, its best level in 11 months, driven by improvements in manufacturing (49.8) and services (51.2). Consumer confidence rebounded to -14.7, although it remains at historically low levels.

UNITED KINGDOM

Economic data for the United Kingdom in July showed mixed signals. The Composite PMI fell to 51 points, affected by the decline in the services sector (51.2), while manufacturing rebounded slightly to 48.2, still in contraction. In consumption, retail sales grew 0.9% in June after May's contraction, although the figure was lower than expected.

ASIA

In Japan, the Composite PMI remained at 51.5 in July, marking four months of expansion, thanks to momentum in the services sector, whose PMI reached 53.5, while the Manufacturing PMI fell unexpectedly to 48.8, returning to contractionary territory for the first time in more than a year.

In China, the People's Bank kept interest rates unchanged—3.0% for one year and 3.5% for five years—amid an economic slowdown, pressured by US tariffs, weak domestic demand, and persistent weakness in the real estate sector.

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Currency	Index	Level	Week	YTD	YTD (usd)	1 Year
	Equity Market					
AMERICAS			1,26	8,56	8,56	18,41
USD	DOW JONES INDUS. AVG	44.901,92	1,28	6,55	6,55	14,11
USD	S&P 500 INDEX	6.388,64	1,47	9,41	9,41	18,80
USD	NASDAQ COMPOSITE	21.108,32	1,02	9,73	9,73	22,32
BRL	BRAZIL IBOVESPA INDEX	133.525,70	0,11	11,01	23,36	5,84
ARS	S&P MERVAL TR ARS	2.197.099,00	5,87	-13,28	-30,34	34,95
CLP	S&P/CLX IPSA (CLP) TR	8.221,96	0,46	22,53	26,76	24,99
MXN	S&P/BMV IPC	57.281,74	1,79	18,52	33,29	11,31
EUROPE			0,53	16,15	30,00	18,66
EUR	Euro Stoxx 50 Pr	5.352,16	-0,07	12,24	27,21	13,67
GBP	FTSE 100 INDEX	9.120,31	1,45	13,98	22,20	16,18
EUR	DAX INDEX	24.217,50	-0,30	21,64	37,26	32,13
EUR	CAC 40 INDEX	7.834,58	0,18	9,26	23,83	7,43
EUR	FTSE MIB INDEX	40.726,26	1,37	23,63	39,50	23,90
ASIA			2,27	37,80	16,35	30,47
JPY	NIKKEI 225	41.456,23	4,11	27,40	11,71	11,62
CNY	CSI 300 INDEX	4.127,16	1,12	26,48	8,91	24,94
HKD	HANG SENG INDEX	25.388,35	1,58	59,52	28,43	54,84
GLOBAL						
USD	ISHARES MSCI ACWI ETF	131,88	1,63	13,10	13,10	19,45
USD	MSCI WORLD	4.124,25	1,46	12,49	12,49	19,48
USD	MSCI EM	1.267,29	1,46	20,07	20,07	20,33
USD	MSCI AC ASIA PACIFIC	210,76	3,08	17,96	17,96	18,66
USD	MSCI EM LATIN AMERICA	2.268,72	0,84	26,48	26,48	9,33
	Fixed Income					
GLOBAL		1.198,81	0,56	6,51	6,51	9,12
USD	Global Aggregate	494,13	0,55	6,62	6,62	6,54
USD	EM USD Aggregate	1.315,21	0,46	5,37	5,37	8,78
USD	Global High Yield	1.787,09	0,65	7,54	7,54	12,03
	Commodities					
USD	BBG Commodity	103,47	-1,56	4,77	4,77	7,13
USD	Oro	3.337,28	-0,38	27,15	27,15	41,14
USD	WTI	65,08	-3,36	-5,91	-5,91	-16,86
USD	Soja	366,03	-2,77	-3,24	-3,24	-10,46

Source: Bloomberg. Information as of July 25, 20th , at market close.