

July 2025

And just like that we are halfway through the year. We hope everyone's summer is off to a great start!

Despite all the news that has come out in June, including the newest Israel/Iranian conflict, the NASDAQ 100 hit a new high on June 26th (Invesco) and the S&P 500 hit a new high on June 27th (Wall Street). We started the month with the United States doubling tariffs on steel and aluminum imports to 50%, signaling ongoing trade tensions and the likelihood of further sectoral tariffs (Lazard). Due to the geopolitical concerns, tariffs have recently taken a backseat in the news, however, given that the 90 day pause ends on July 9th and only 1 country has a new deal in place, we expect to see uncertainty and volatility potentially increase.

The Federal Reserve's preferred inflation gauge was just reported and the 12-month core PCE number rose to 2.7% versus a revised 2.6% the prior month (Investors Business Daily). They also reported that personal incomes declined 0.4%, while economists had expected an increase. Retail sales declined 0.9% for May, even more than the 0.6% drop expected from the Dow Jones consensus; the decline reversed a 0.1% gain in April and came at a time of unease over tariffs and geopolitical tensions (CNBC). On the jobs front, weekly unemployment claims declined below consensus estimates, indicating the economy remains on stable footing (CNN). Consumer confidence also rose in June, although it remains lower than at the start of the year (Wall Street).

At the most recent Federal Reserve meeting, they kept interest rates the same. Based on the "dot plot", the Fed continues to anticipate that two rate cuts will be appropriate before year-end, but tariff inflation concerns now have them anticipating that rate cuts will progress at a slower pace over the following two years (First Trust).

Things we will be watching as we head into July include the tariff situation, Trumps "Big, Beautiful Bill," and the impact that these have on consumer spending and jobs.

If you need anything, please let us know.

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