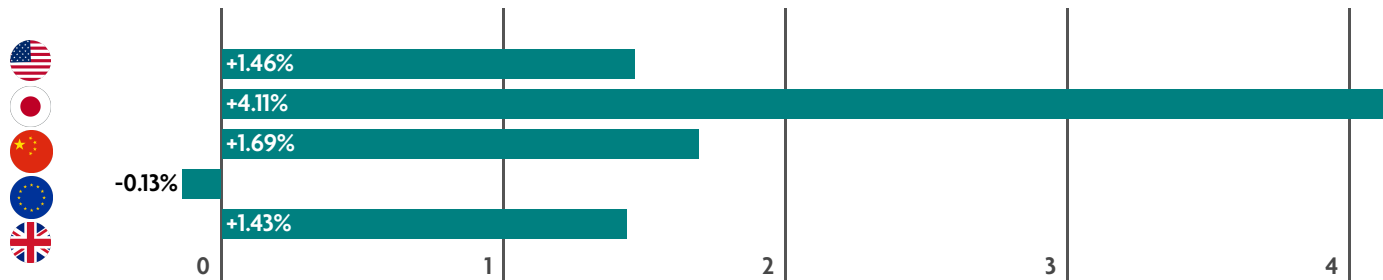


Market Monitor (%): How did major stock markets perform last week*?



Key stories from last week



US: FAVOURABLE TRADE DEAL NEWS DRIVES STOCKS TO RECORD HIGHS

US equities reached fresh record highs for the second consecutive week, driven by announcements that the U.S. had reached agreements with Japan, Indonesia, and the Philippines. Reports that the U.S. and European Union (EU) are progressing toward a deal ahead of the August 1 deadline also appeared to boost sentiment during the week. The week also brought a slew of corporate earnings reports, including two of the Magnificent Seven stocks, which had mixed responses. Google's parent company Alphabet rallied +4.38%, meanwhile, Tesla's report fell short of expectations, seeing the stock pullback -4.12% for the week. In a light week of economic data releases, the US flash Purchasing Managers' Index (PMI) data for July highlighted that the US economy grew at a sharply increased rate at the start of the third quarter, driven by growth in the services sector. Meanwhile, manufacturing business conditions deteriorated for the first time this year.



JAPAN: US-JAPAN TRADE RELATIONS AND MIXED ECONOMIC DATA WEIGHS ON MARKETS.

Tariff-related developments - notably some signs of growing tensions in U.S.-Japan trade relations - and mixed domestic economic data releases weighed on investor risk appetite. The U.S. announced that it would implement a slightly higher tariff of 25% on Japanese imports, up from the 24% rate the administration set in early April. However, many investors viewed positively the indication that the higher tariff will only come into force on 1st August 2025, leaving more time for negotiations. Domestic economic data releases were mixed. Sentiment was pressured by data showing that Japan's wage growth slowed sharply in May, raising concerns about the broader economic recovery. On the positive side, separate data showed that household spending rebounded strongly in May.



CHINA: STOCKS RALLY ON HOPES FOR A CONTINUED STABILISATION IN US-CHINA RELATIONS

Mainland Chinese stock markets rose on hopes for an extension of a tariff truce with the U.S. ahead of another round of trade talks between both countries. The onshore benchmark CSI 300 Index advanced 1.69% in local currency terms. U.S. Treasury Secretary Scott Bessent plans to meet with Chinese officials in Stockholm, Sweden, this week for a third round of talks aimed extending the current trade deal, which expires in August. The Stockholm meeting follows discussions in Geneva in May that produced a 90-day pause in tariffs and a second round in London in June that led to each country lifting export controls.



EUROPE: STOCKS MIXED AS INVESTORS KEEP AN EYE ON TRADE TALKS

Tentative optimism around a possible EU-U.S. trade deal supported sentiment, although the EU said it could retaliate with counter-tariffs in the absence of an agreement. The European Central Bank (ECB) held rates steady, and the comments accompanying its decision were perceived as slightly hawkish. Eurozone inflation is currently at the ECB's 2% medium-term target, and the economy is performing in line with or better than expectations, in the central bank's assessment. However, the global environment remains highly uncertain as a result of trade disputes. Among Europe's major markets, Italy's FTSE MIB gained 1.03%, France's CAC 40 Index posted a modest gain, and Germany's DAX fell 0.30%.



UK: UK-INDIA TRADE DEAL BOOSTS STOCKS DESPITE ECONOMIC DATA CONTINUING TO SOFTEN

UK retail sales increased 0.9% month on month (m/m) in June, short of consensus expectations for a 1.2% m/m rise, but recovering from a 2.8% m/m fall in May. Retail sales were lower than expected across the board, despite the warm weather in June, which had been expected to boost consumption. Manufacturing data improved, whilst services data fell slightly for the month. A significant move down in the employment balance provided evidence of a weakening labour market. Stocks finished higher for the week, boosted by the long-awaited trade deal with India, which Prime Minister Keir Starmer hailed as the "biggest and most economically significant" agreement Britain has made since Brexit.



The Omnis Investment Club

To hear more about these topics, you can listen to our latest episode on the Omnis Investment Club Podcast.



*Source: Bloomberg. All performance measured in local currency.

Issued by Omnis Investments Limited. This update reflects Omnis' view at the time of writing and is subject to change. The document is for informational purposes only and is not investment advice. We recommend you discuss any investment decisions with your financial adviser. Omnis is unable to provide investment advice. Every effort is made to ensure the accuracy of the information, but no assurance or warranties are given. Past performance should not be considered as a guide to future performance.

The Omnis Managed Investments ICVC and the Omnis Portfolio Investments ICVC are authorised Investment Companies with Variable Capital.

The authorised corporate director of the Omnis Managed Investments ICVC and the Omnis Portfolio Investments ICVC is Omnis Investments Limited (Registered Address: Auckland House, Lydiard Fields, Swindon SN5 8UB) which is authorised and regulated by the Financial Conduct Authority.