Dear clients, Dear readers,

July was a very good month for the US stock markets and satisfactory in Europe.
After a flying start, markets developed less rapidly afterwards.

The positive development of Donald Trump's favourite issue this year - tariffs - regarding China and the United Kingdom has somewhat reassured investors.

The US economy has shown remarkable resilience when we look at several macroeconomic indicators such as employment, consumption, and the absence of any deterioration in inflation levels, even if they are considered a little too high.
Most leading economists remind us that this trade war launched by the United States will eventually slow its growth somewhat.
But for the moment, the warning signs of a slowdown are rather discrete.
The robustness of the US quarterly results published so far has only fuelled this favourable climate.
Against this backdrop, the Fed (US central bank) left benchmark interest rates unchanged to the great displeasure of Donald Trump, obsessed with a providential rate cut to mitigate the negative effects of his trade war.

Europe is experiencing low or even zero growth in some countries, with a reassuring level of inflation.
The central theme, the trade war, has had an important (temporary) outcome: Ursula von der Leyen (President of the European Commission) and Donald Trump have managed to seal an agreement in principle.
European products will be subject to a 15% tariff when imported into the United States.
Some sectors will be exempted (e.g. aeronautics) and others will obtain special conditions after negotiations.
Since the devil is in the details, it is not easy to say much more at this stage.
The reactions of the 27 European countries are very mixed (as we have unfortunately come to expect! 😊).
It was probably better to accept a 15% tax than to risk a 30% penalty or worse.
Opinions differ, but at least we know what we’re in for, and the best-run companies can integrate this data into their business model and mitigate the negative effects.

Despite the US president's wishes, the dollar has regained some ground against the euro, particularly because of the indefinite postponement of the rate cut by the Fed.

We cannot rule out consolidation in the markets in the short term.
Trade agreements will have to be accepted and the first signs of a slightly clearer US slowdown are possible.

Performance of the main markets in 2025

	July 2025	2025 YTD
EURO STOXX 50	0.31%	8.66%
STOXX Europe 600	0.88%	7.58%
BEL 20	3.58%	8.71%
S&P 500	2.17%	7.78%
S&P 500 Equal Weight	1.04%	4.79%
NASDAQ 100	2.38%	10.50%
NIKKEI 225	1.44%	2.95%
HANG SENG	2.91%	23.50%
MSCI EMERGING	1.67%	15.60%
MSCI WORLD	1.23%	9.93%

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