



## Executive Summary

Major stock markets around the world are creating new highs makes us to ask the most prominent question that whether the stock markets are immune toward the on-going tariff war or are we hiding the bad news under carpet and boasting the ballads of self-reliance thereby claiming that we are endurant to global trade war crisis. The signs of weakness are visible in some data but all published data till now fail to mark a great crisis. It is understandable that macroeconomic shocks are long term in nature and searching it in short terms data or immediate news is a human fallacy. As we know stock markets are responding to human sentiments and marker of our reaction towards high impacting news.

US stock market reached new heights and the recovery move surpassed previous high that recorded before the tariff war. The reduction in jobless claims and strong retails sales showed the indifferent face of the economy without solving the underlying currents of slowdown in global economy. With the advent of artificial intelligence and robotics market is strongly expecting a boom in technology related stocks. It is very difficult to trust the hilariousness of the market since we know that the macroeconomic issues are not addressed properly. For US economy the declining nature of building permits continues to exist even though the current data showed slight improvement from previous data. The general perception of weakness in real estate sector reflected in the housing start data and slight improvement in data is not adequate enough to build a new trend. Consumer sentiment showed a marginal increase and last two months data offer some solace to the US economy. The US market showed slight increase in inflation rate even though the producer price index were unchanged . the control over inflation is commendable after considering the current macroeconomic factors.

In Japan the tendency of rising inflation continues to persist even though the data showed a slight improvement in controlling inflation. The positive balance of trade figure is against the current general trend in balance of trade. As exhibited by the data of Japan is more an import-oriented nation after covid pandemic, and the slight improvement showed in current data is not adequate enough to foster the resilient nature of economy. The Japanese stocks also moved in tandem with US stocks but with less aggressiveness. The pressure exerted by the sellers are marginal in nature and the past two-week selling candles is not significantly contributing to a trend in the market. The economy in Japan is supported by central bank initiatives and it is

very important to know whether the Japanese expectation of mild treatment in tariff war will materialize

The discovery of iron ore deposits in Pibara region of Australia contains around 55 billion tons and that is approximately 21 times bigger than annual global consumption of iron ore. Spot gold futures prices moved flat consolidation reflecting the indecision of market. The unrest in middle east and the escalation of geo political tension in Ukraine and Russia continue to support the safe haven appeal of gold but the lack of fresh triggers spreading indecision in the market.

Crude oil is striving the best to gain the recovery momentum after the sharp selling in June 23 2025. The growing concerns over trade tariff policy and unrest in middle east and the fall of US crude inventories weighted on the sentiments.

The global trade sentiments in China had slightly improved as indicated by the balance of trade figure which showed slight increasing trend over the last three months. The picking up of trade is a slight relief amid pessimism instilled by the global trade war. The slight picking up of industrial production in China is as effort the bring back the things under control however the worries in retail sales and better prospect in GDP growth rate continued support the market sentiments.

## **World Stock Markets**

The volatility of the overall market shows less activity for the week and most of the market traded with general positivity. Due to the lack of fresh triggers market generally showed less enthusiasm and among the index Hang Seng index showed strong positive mood. The relatively better marginal performance of the economic data leads the investors to stay with the mood. However, it has been observed there is trend in shifting funds from US stock markets to bonds and non-US equities. Meanwhile hang Seng index registered 2.84 % rise in price mainly due to capital flows via southbound stock connect schemes, supported by low HIBOR rates and increasing IPO activity. The Hong Kong economy is expecting increased exports to China due to the Strong GDP performance of China. Slightly above expectations of Chinese GDP failed to ignite a strong mood in the market and market reacted with less enthusiasm because of anxiety for the future development of trade war. Indian stock market reacted with slight negative mood and the poor performance of financial and IT stocks weighted on the sentiments. The foreign outflows of funds from Indian market also worried the investors.

World Exchanges Weekly Sentiments						
	Pre Close	Open	High	Low	Last	% Change
1 S&P 500	6259.75	6255.15	6315.61	6201.59	6296.79	0.59
2 NASDAQ Composite	20585.53	20592.56	20980.56	20492.63	20895.65	1.51
3 Nikkei 225	39569.68	39416.10	40087.59	39288.90	39819.11	0.63
4 SSE Composite Index	3510.18	3513.25	3536.01	3483.38	3534.48	0.69
5 Hang Seng Index	24139.57	24100.57	24867.81	24097.32	24825.66	2.84
6 FTSE 100	8941.10	8941.10	9017.00	8926.60	8992.10	0.57
7 Euro STOXX 50	5383.48	5357.50	5404.32	5298.07	5359.23	-0.45
8 Nifty 50	25149.85	25149.50	25255.30	24918.65	24968.40	-0.72
9 DAX 40	24255.31	24038.29	24494.88	23968.95	24289.51	0.14
10 KOSPI	3175.77	3175.59	3216.01	3152.42	3188.07	0.39

\* Weekly computed data

## Forex Market

Japanese Yen strengthened against dollar due to political uncertainty because Japan ruling coalition lost its upper house majority. Dollar rebounded with support of strong job data and inflation under controllable levels. The tariff war had significantly raised de-dollarization strategy to reduce the prominence of dollar in international trade. The weakening of dollar against the major currencies raised the revenue of US multinational companies. The movement of yuan was relatively stable after people bank of China raised the mid-point. US firms hedging activity had increased the demand of Euro and European central bank opted to pause its rate cut cycle. The mild weakening of peso against dollar resulted due to slower pace of rate cuts by bank of Mexico and market participant is expecting more weakening of peso after expiry of US tariff freeze. The mild weakening of Indian rupee resulted due to dollar demand from foreign and domestic banks

Currencies Weekly Sentiments						
	Pre Close	Open	High	Low	Last	% Change
1 EUR/USD	1.1692	1.1682	1.1717	1.1564	1.1629	-0.54
2 USD/JPY	146.5400	147.2950	149.1670	146.8810	148.7890	1.53
3 GBP/USD	1.3499	1.3497	1.3505	1.3367	1.3414	-0.63
4 AUD/USD	0.6584	0.6578	0.6589	0.6456	0.6543	-0.62
5 USD/CAD	1.3695	1.3684	1.3773	1.3669	1.3730	0.26
6 USD/MXN	18.6180	18.6576	18.8451	18.6413	18.7376	0.64
7 USD/CNY	7.1748	7.1681	7.1832	7.1670	7.1832	0.12
8 USD/SGD	1.2782	1.2804	1.2880	1.2792	1.2839	0.45
9 USD/INR	85.8180	85.8213	86.2245	84.5595	86.1460	0.38
10 USD/HKD	7.8478	7.8496	7.8500	7.8395	7.8449	-0.04

\* Weekly computed data

## Commodities Market

Crude oil trade with weakness due to cautious trade approach from market participants. The supply side shocks from middle east and strong summer demand failed to adequately support the prices. The US produces profit pressure exerted selling pressure in the counter since the prices had reached break even thresholds. Mild negativity is observed in gold futures due to firm dollar and lack of fresher triggers to increase the safe haven appeal of gold. Silver also traded with mild bearishness due to profit booking since the prices traded at significant resistance levels. Copper prices showed relatively calm nature and the hilarious movement in the past week due to the confirmation of president Trump for steep 50% tariff on US copper imports. As per market participants the prices are likely to cool after the exhaust of stockpiling of US traders. The buying demand in natural gas are more driven by technical significance and it against the trend in short term fundamentals . The slightly upward trend in consolidation range had brought positive movement in soybean counter. The expectation of the market participants for more US export demand also aided the sentiments.

Commodities Weekly Sentiments						
	Pre Close	Open	High	Low	Last	% Change
1 Brent Crude Oil (USD/Bbl)	70.360	70.520	70.560	67.710	69.280	<b>-1.53</b>
2 Crude Oil WTI (USD/Bbl)	68.450	68.590	68.620	65.420	67.340	<b>-1.62</b>
3 Natural Gas (USD/MMBtu)	3.314	3.444	3.613	3.415	3.565	<b>7.57</b>
4 Gold Spot (USD/t.oz)	3356.80	3368.50	3377.60	3310.00	3351.10	<b>-0.17</b>
5 Silver(USD/t.oz)	38.440	38.520	39.140	37.500	38.170	<b>-0.70</b>
6 Copper (USD/Lbs)	5.537	5.5481	5.5851	5.4124	5.5510	<b>0.25</b>
7 Steel Rebar (CNY/T)	3086.00	3101.00	3138.00	3060.00	3136.00	<b>1.62</b>
8 Aluminium (USD/T)	2603.70	2582.30	2638.80	2559.80	2635.90	<b>1.24</b>
9 Wheat (USD/Bu)	545.00	549.00	550.25	532.00	546.25	<b>0.23</b>
10 Soyabean	1004.30	1006.30	1036.30	993.00	1027.80	<b>2.34</b>
* Weekly computed data						

### Disclaimer

The views are expressed for the purpose of study only and not an advice to any traders or investors in the market. Trading/investing in Financial markets involves considerable risk and you may lose part or all of the initial investment. It is not ideal for all types of investors, and you are advised to seek professional assistance before the same. The news and views posted on this report are based on information, which are believed to be accurate. The author cannot be held responsible for the accuracy of the content posted on this report or for decisions taken by the readers based on such information.

### References