Your Weekly Newsletter !

ALMA EUROPE

Week 21

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MARKET TREND

INDEX	26/05/2025	YTD	COMMO	26/05/2025	1Y	CURRENCIES	26/05/2025	YTD	BONDS	26/05/2025	1Y
S&P500	5,802.82	-1.34%	GOLD	3353.36	42.96%	EUR-USD	1.138	10.00%	US 10 Y	4.52%	-3
NASDAQ	18,737.21	-2.97%	SILVER	33.45	10.24%	GBP-USD	1.356	8.34%	UK 10 Y	4.76%	45
DOW JONES	41,603.07	-2.21%	WTI	61.87	-16.93%	USD-CAD	1.370	-4.63%	AUS 10 Y	4.41%	4
EURO STOXX	5,403.91	9.88%	NAT. GAS	3.31	2.04%	CHF-USD	1.217	10.51%	SW 10 Y	0.40%	-43
HANG SENG	23,282.33	16.06%	CORN	459	-10.22%	USD-CNY	7.183	-1.57%	NOR 10 Y	4.07%	29
TA-125	2,660.72	9.64%	COFFEE	359.8	67.43%	USD-ILS	3.583	-1.52%	ISR 10 Y	4.61%	-29

Overview:

Over the past week global stock markets posted mixed results last week. In the U.S., major indices fell sharply as trade tensions escalated and bond yields rose; the S\&P 500, Dow Jones, and Nasdaq each dropped around 2.5%, with the Russell 2000 down 3.5%, pressured by President Trump's tariff threats on European goods and smartphones. In Europe, markets were volatile — the STOXX 600 dipped 0.9% before rebounding 1% after the U.S. delayed tariffs until July, lifting shares in German automakers and luxury brands like LVMH. In Asia, Japan's Nikkei 225 gained 0.45% on strength in auto and tech, India's Sensex surged 769 points on FMCG optimism, while Hong Kong's Hang Seng fell 1.2% amid weakness in tech and consumer stocks.

WORLDWIDE TOP NEWS

- Israel intensified its Gaza offensive, launching "Operation Gideon's Chariots" .
- The World Health Assembly adopted a global pandemic accord without U.S. participation.
- Moody's downgraded the U.S. credit rating from Aaa to Aa1 over rising debt and fiscal deficits.
- The UK and EU unveiled a new post-Brexit cooperation deal covering security, energy, and migration.
- Former U.S. President Joe Biden was diagnosed with aggressive prostate cancer.
- North Korea signaled plans for a nuclear test ahead of President Trump's Asia visit.

REAL ESTATE

- U.S. mortgage rates jumped above 7% after Moody's downgrade, worsening affordability.
- Sydney home prices surged as rate cuts revived buyer competition at auctions.
- China's housing market continues to decline, with prices projected to fall 4.8% in 2025.
- UK home prices hit a record £379,517 in May, though growth is slowing amid more listings.
- San Francisco condos rose 9.13% YoY, while single-family home supply stayed tight.

BANKING & FINANCE

- Moody's downgraded the U.S. credit rating from Aaa to Aa1 due to rising debt and fiscal deficits.
- Bank of America plans to open over 150 new branches across 60 markets by 2027.
- Barclays appointed UBS veteran Marc Warm as global co-head of capital markets.
- G7 finance ministers met in Italy to discuss AI risks, tax reforms, and global financial stability.
- Goldman Sachs reported a 12% drop in Q1 investment banking revenue amid weak IPO activity.
- The ECB signaled it may stop cutting rates as inflation shows signs of stabilizing.
- India's central bank tightened lending rules for fintechs to curb unsecured credit risks.
- Brazil's central bank cut rates by 25 bps to 10.25%, citing slower inflation momentum.

TECHNOLOGY

- Microsoft Build 2025 unveiled AI upgrades to Windows 11, Microsoft 365, and Surface devices.
- Google I/O 2025 introduced Android XR Glasses, Gemini 2.5 Pro, and Project Astra AI assistant.
- Dell launched AI Factory infrastructure with 110,000 GPUs for next-gen PC and data center use.
- Airbus named Remi Maillard as Head of Technology to lead next-gen jet production efforts.
- Samsung launched its slimmest phone yet, the Galaxy S25 Edge, with advanced AI features.
- Nintendo announced Switch 2 will release on June 5 with 4K and backward compatibility.
- Global electronics sales fell 16% QoQ in Q1 2025 due to market saturation and seasonality.

Key Economic Indicators:

- U.S. GDP contracted by 0.3% in Q1 2025 due to higher imports and reduced government spending.
- U.S. Leading Economic Index fell 1.0% in April, marking its steepest drop since March 2023.
- U.S. Coincident Economic Index rose 0.1% in April, suggesting modest ongoing growth.
- U.S. unemployment rate held steady at 3.9%, indicating labor market resilience.
- U.S. core PCE inflation rose to 3.5% in Q1, reflecting persistent inflationary pressures.
- Eurozone's 2025 GDP forecast was cut to 0.9% amid economic uncertainty and trade risks.
- UK private sector activity shrank for a second month with PMI dropping to 49.4.
- UK inflation jumped to 3.5% in April, driven by energy and household costs.
- Japan's inflation accelerated, sparking speculation of a Bank of Japan rate hike.

Outlook:

The outlook for the week of May 26–30, 2025 is cautiously optimistic. U.S. markets will reopen Tuesday after Memorial Day, with futures slightly higher following President Trump's delay of EU tariffs to July 9, easing immediate trade fears. However, concerns remain over rising Treasury yields, a weakening dollar, and overall fiscal stability. Key U.S. data releases this week include durable goods orders and consumer confidence on Tuesday, FOMC minutes on Wednesday, Q1 GDP revisions and jobless claims on Thursday, and PCE inflation, personal income, and pending home sales on Friday. In Europe, inflation data from Germany, France, Italy, and Spain will shape ECB expectations, while Japan's Tokyo CPI and retail sales will be closely watched. Major earnings from Nvidia, Salesforce, Dell, HP, and Costco will also influence tech and retail sentiment. Overall, markets remain highly sensitive to inflation trends, central bank signals, and global political developments.

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