MONTHLY MARKET COMMENTARY, AS OF JULY 2025

US Equity	Jul-25	YTD	Last 12m
S&P 500	2.2%	8.6%	16.3%
Russell 1000	2.2%	8.5%	16.5%
Russell 1000 Value	0.6%	6.6%	8.8%
Russell 1000 Growth	3.8%	10.1%	23.7%
Russell 2000	1.7%	-0.1%	-0.6%
Russell 2000 Value	1.8%	-1.5%	-4.3%
Russell 2000 Growth	1.7%	1.2%	3.2%
International Equity			
MSCI All-Country World ex-US	-0.3%	17.6%	14.7%
MSCI EAFE	-1.4%	17.8%	12.8%
MSCI Europe	-1.8%	20.9%	13.8%
MSCI Japan	-1.4%	10.2%	6.1%
MSCI Emerging Markets	1.9%	17.5%	17.2%
Fixed Income			
U.S. Intermediate Treasuries	-0.3%	3.7%	4.1%
U.S. Long Treasuries	-0.9%	2.1%	-2.8%
U.S. TIPS	0.1%	4.8%	4.1%
Corporate IG Bond	0.1%	4.2%	4.5%
High-Yield Bonds	0.5%	5.0%	8.7%
Tax-Exempt Bonds	-1.0%	-1.3%	-0.5%
International Bonds	-1.5%	5.7%	4.4%
Emerging Market Bonds	0.9%	5.9%	8.4%
Currencies			
Us Dollar	3.2%	-7.9%	-4.0%
Euro	-3.2%	10.2%	5.4%
Yen	4.7%	-4.1%	0.5%
Emerging Markets	-1.2%	5.9%	5.9%
Real Assets			
Commodities	-0.5%	5.0%	9.7%
Energy	2.5%	1.3%	2.8%
Industrial Metals	-6.3%	1.3%	3.3%
Gold	-0.7%	48.9%	34.1%
Master Limited Partnerships	3.2%	10.4%	16.0%
Real Estate Investment Trust	-0.8%	-1.0%	1.5%

Markets advanced in July, supported by strong U.S. corporate earnings, fiscal stimulus developments, and easing trade tensions. Equity markets reached new highs, particularly in the U.S. and Asia, as investor sentiment benefited from clarity on tariff policy and the passage of the One Big Beautiful Bill Act (OBBBA). Fixed income markets faced renewed pressure from rising sovereign yields, while emerging market bonds continued to shine thanks to attractive currency gains. In commodities, the rally in gold and industrial metals paused, but iron and steel remained strong, helping to support parts of the emerging market complex.

Equity: U.S. equities continued their upward trajectory, with major indices reaching record levels (S&P 500: 2.2%). The rally was driven by robust second-quarter earnings—especially from the mega-cap tech names—and growing optimism around fiscal expansion after the Senate passed the OBBBA stimulus package. Tariff uncertainty eased as the administration finalized trade agreements with Vietnam, Japan, and the EU, softening earlier fears of broad-based protectionism. Growth stocks outperformed value (3.8% vs 0.6% respectively), and small caps (1.7%) led early in the month before large-cap momentum took over.

Developed market equities outside the U.S. posted negative results in July. European markets benefited from easing trade tensions and stabilizing economic data, but performance was tempered by mixed earnings and political uncertainty, ending the month with a 1.8% fall for the month. The ECB maintained a cautious stance, offering little near-term policy support.

Emerging market equities outperformed their developed peers, with a 1.9% gain in July. Strength was concentrated in Greater China, Korea, and Taiwan, where supportive credit conditions and optimism around AI-driven investment lifted sentiment. Latin American markets like Brazil and Mexico also benefited from a more measured U.S. tariff approach and firm commodity demand. Overall, EM equities were supported by a combination of relative policy stability, strong external balances, and improving investor risk appetite.

Fixed Income: Global fixed income markets came under pressure in July as sovereign yields rose across regions, driven by stronger economic data, fiscal expansion, and reduced expectations for near-term rate cuts. In the U.S., Treasury yields moved higher as the Federal Reserve held rates steady, while markets priced in fewer cuts for the remainder of the year. Credit spreads tightened, supported by resilient corporate earnings, though high-yield issuance slowed somewhat amid rising rate volatility. In Europe and other developed markets, bond yields also drifted upward, with central banks adopting a wait-and-see approach in the face of mixed inflation and growth signals. In contrast, emerging market local currency debt delivered another strong month (0.9% up), buoyed by supportive monetary policy, currency appreciation, and investor appetite for yield. Year-to-date, EM local debt remains one of the best-performing fixed income segments globally.

Liquid Real Assets: Commodities experienced a modest pullback in July, with broad indices down slightly (-0.5%) after strong gains earlier in the year. Gold's rally paused (-0.7%) as risk appetite improved and real yields ticked higher. Copper came under pressure following a temporary spike in U.S. tariffs—though refined metals were later exempted, reflecting ongoing strength in Asian infrastructure demand. Agricultural prices were stable, while real assets like infrastructure and real estate posted mixed results, driven by rate volatility and regional supply-demand dynamics.

Sources:

i. *Bloomberg data.*
ii. *Monthly Market Review (July 2025) – JPM*

Disclaimer