

The Weekly Briefing

In a relatively quiet week for economic data and major earnings announcements, investors turned their attention to the release of the June FOMC meeting minutes for insight into the trajectory of the Federal Reserve’s policy rate for the second half of the year. Earlier in the week, an extension of the July 9th deadline for the imposition of reciprocal tariffs to August 1st pushed the S&P 500 and Nasdaq to new all-time highs, but momentum faded by Friday as new trade developments weighed on sentiment. For the week, most major equity benchmarks posted modest losses, with the S&P 500 slipping 0.3% and the Russell 2000 down 0.6%. Meanwhile, bond yields climbed, with the 10-year and 30-year Treasury yields rising by 6 and 9 basis points, respectively.

At its June meeting, the Federal Open Market Committee (FOMC) opted to maintain the current target range for the federal funds rate at 4.25% to 4.50%. Committee members observed that the economy was continuing to grow at a solid pace and the job market remained strong with a low unemployment rate. The Committee noted that while inflation had decreased from its peak, it was still somewhat elevated relative to their 2 percent goal. The Committee acknowledged that uncertainty about the economic outlook was still high, although it had lessened since their previous meeting, partly due to lowered expectations for the overall level of tariff imposition since prior meetings. Most participants suggested that some reduction in the federal funds rate could be appropriate later in the year, but the Committee emphasized a careful, data dependent approach before making further adjustments. Looking ahead, interest rate traders overwhelmingly expect the Federal Reserve to hold the benchmark rate steady at the next FOMC meeting on July 29-30, with futures markets pricing in a 95% probability of no change. The market currently expects two 25-basis-point rate cuts as the most likely scenario across the remaining FOMC during 2025.

Looking forward, the Fed will need to weigh the economic impact of the Trump Administration’s latest tariff threats, should they materialize, on growth and inflation. Among the most notable announcements last week were a 50% tariff on Brazilian imports and a 35% tariff on non-energy Canadian goods. Sector-specific tariffs are also back in focus. Starting August 1st, a 50% tariff on copper imports was announced. The news drove the largest one-day gain in copper prices since 2008, pushing the price to all-time highs. The Trump Administration is also considering imposing tariffs of up to 200% on pharmaceutical products, potentially rolling out over the next one to two years. According to the Yale Budget Lab, the average effective tariff rate in the U.S. now stands at 18%—the highest level since the 1930s. This figure reflects all U.S. tariffs and foreign retaliatory measures implemented through July 9th.

In stock market news, Nvidia made history by becoming the first company to ever reach a \$4 trillion market capitalization. The chipmaker’s stock has soared since the launch of ChatGPT in 2022, which ignited a global race in artificial intelligence development. Nvidia currently accounts for 7.5% of the S&P 500’s total market cap. This week, 2nd quarter earnings season ramps up, with key reports from the financials sector.

| The Week Ahead | | | | |
|----------------|-----------------------------|---|--|--|
| Monday | Tuesday | Wednesday | Thursday | Friday |
| GS BLK | CPI BAC UNH MS | PPI Industrial Production JNJ ASML | Retail Sales Initial Jobless Claims Continuing Claims NFLX TSM | Housing Starts Consumer Sentiment AXP SLB |

Market Snapshot

| | Last Week | YTD | 1yr |
|--------------|------------|--------|--------|
| S&P 500 | -0.3% | 7.2% | 13.0% |
| DJIA | -1.0% | 5.3% | 12.9% |
| Nasdaq 100 | -0.4% | 8.9% | 12.9% |
| Russell 2000 | -0.6% | 0.9% | 5.5% |
| S&P 500 E/W | -0.4% | 6.3% | 11.5% |
| 2yr Yield | 3.89% | -0.36% | -0.63% |
| 10yr Yield | 4.41% | -0.16% | 0.20% |
| VIX | 17.5 | 0.1 | 5.0 |
| WTI Crude | \$ 67.0 | -6.6% | -18.9% |
| Gold | \$ 3,337 | 27.1% | 38.2% |
| Bitcoin | \$ 117,731 | 25.6% | 104.5% |

Economic Summary

| | Actual | Expected | Prior (r) |
|------------------------|--------|----------|-----------|
| Initial Jobless Claims | 227k | 236k | 232k |
| Continuing Claims | 1965k | 1980k | 1955k |

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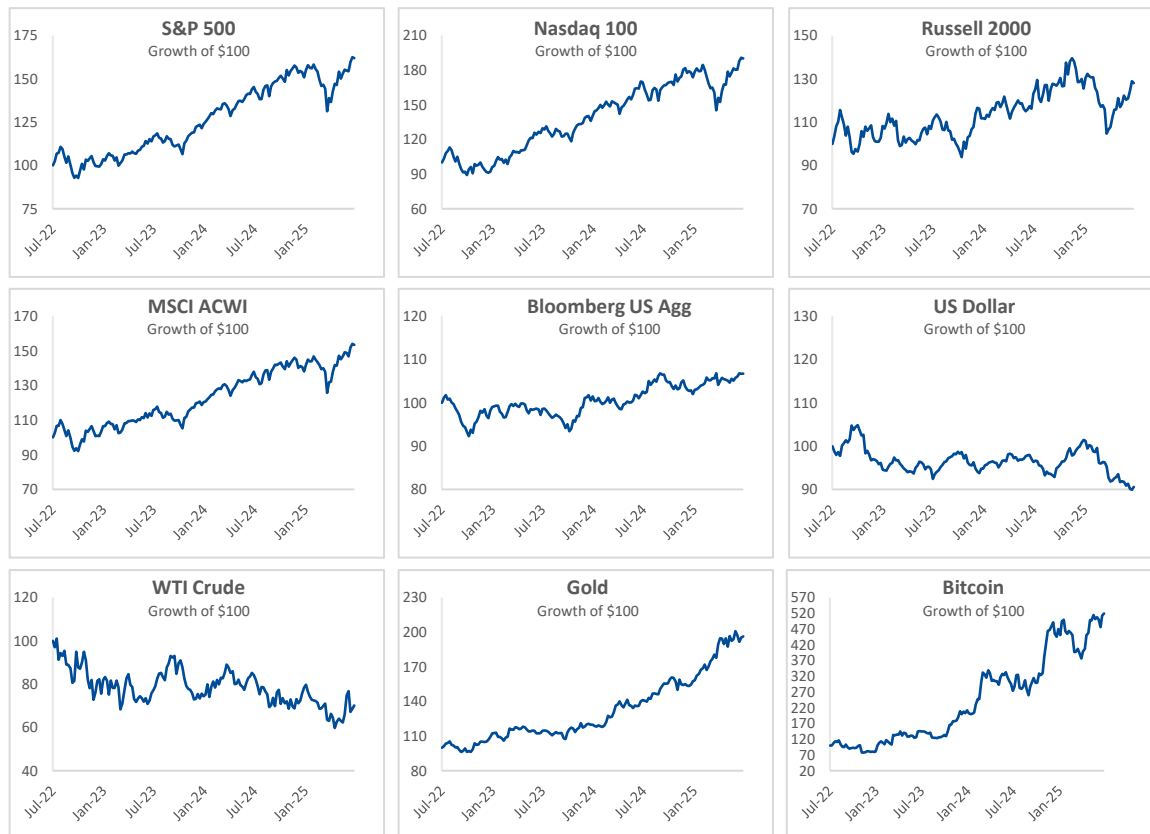
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Markets Monitor



S&P 500 Sector Heatmap Total Return YTD

| | | | |
|-----------|----------------|---------------------|---------------|
| S&P 500 | Comm. Services | Cons. Discretionary | Cons. Staples |
| 7.2% | 10.1% | -0.8% | 4.0% |
| Energy | Financials | Healthcare | Industrials |
| 5.7% | 8.7% | -0.9% | 14.7% |
| Materials | Real Estate | Technology | Utilities |
| 9.8% | 3.8% | 10.4% | 10.5% |



WEALTH MANAGEMENT

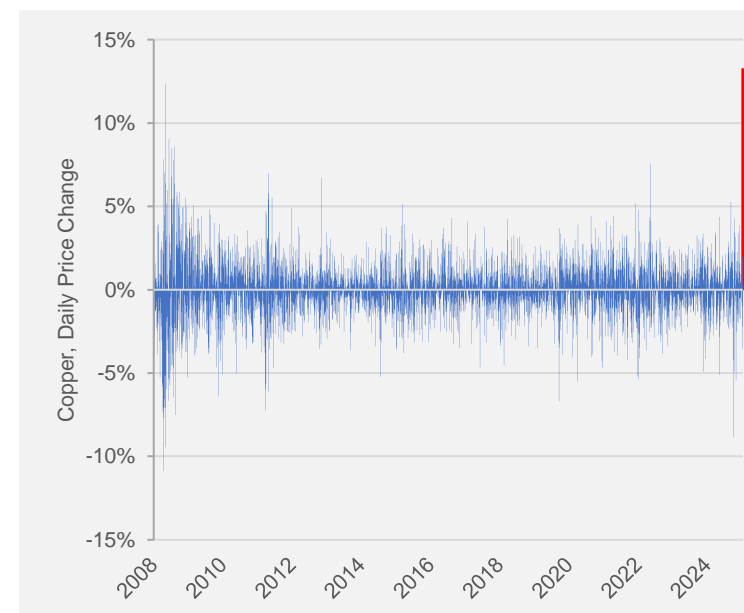
Last Week in Earnings

| Date | Ticker | EPS | Revenue | Price chg |
|--------|--------|------|---------|-----------|
| 10-Jul | CAG | Miss | Miss | -4.4% |
| 10-Jul | DAL | Beat | Beat | 12.0% |

World Watch

| | Last Week | YTD | 1yr |
|-------------|-----------|-------|-------|
| MSCI ACWI | -0.4% | 10.7% | 13.0% |
| MSCI Europe | 0.2% | 23.9% | 14.4% |
| MSCI APAC | -0.8% | 12.8% | 9.9% |
| DXI Index | 97.9 | -9.8% | -6.3% |
| EUR / USD | \$1.17 | 11.8% | 6.0% |
| GBP / USD | \$1.35 | 7.8% | 4.5% |
| USD / JPY | 147.4 | -6.2% | -7.2% |
| USD / CNY | 7.17 | -1.8% | -1.2% |

Last Week's Tariff Announcement Drove Copper's Largest One-Day Gain Since 2008



As of 7/13/25
Sources: Bloomberg, Logia Portfolio Management, Sunflower Bank.

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