



June Monthly Economic Market Wrap

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General advice warning:

The information and any advice provided in this update has been prepared without taking into account your objectives, financial situation or needs. Because of that, you should, before acting on the advice, consider the appropriateness of the advice, having regard to those things. Past performance is not a reliable indicator of future performance.



April saw one of the sharpest declines in stock market history – but it also provided one of the biggest rebounds. Essentially nullifying Trumps tariff impact and getting close to previous levels.

This was particularly evident except in the US as it has the most potential for continued interruption on tariffs.

Year-to-date cumulative returns, to 30 April in USD terms



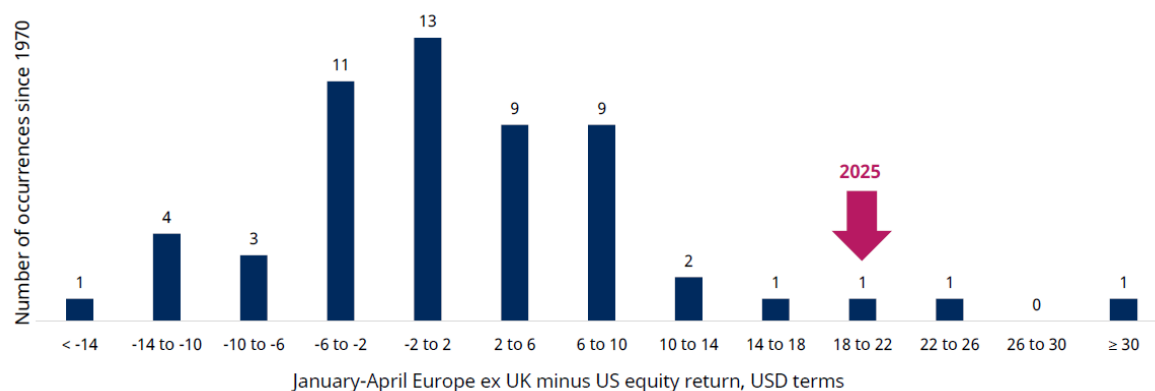
Past performance is not a guide to future performance and may not be repeated.

Source: LSEG Datastream, MSCI and Schroders Strategic Research Unit. Data to 30 April 2025 in US dollars. Please see relevant disclaimers on page 48

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Schroders

2025 has been the 3rd best start to a year for Europe versus the US for more than 50 years – outperforming by 22%.



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Source: LSEG Datastream, MSCI and Schroders Strategic Research Unit. Data to 30 April 2025 in US dollars. Please see relevant disclaimers on page 48

Schroders



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U.S. Economy at a Glance

National Economic Accounts

Gross Domestic Product (Second Estimate), Corporate Profits (Preliminary Estimate), 1st Quarter 2025

Q1 2025 (2nd)	-0.2%
Q4 2024	+2.4%

Real gross domestic product (GDP) decreased at an annual rate of 0.2 percent in the first quarter of 2025 (January, February, and March), according to the second estimate released by the U.S. Bureau of Economic Analysis. In the fourth quarter of 2024, real GDP increased 2.4 percent. The decrease in real GDP in the first quarter primarily reflected an increase in imports, which are a subtraction in the calculation of GDP, and a decrease in government spending. These movements were partly offset by increases in investment, consumer spending, and exports.

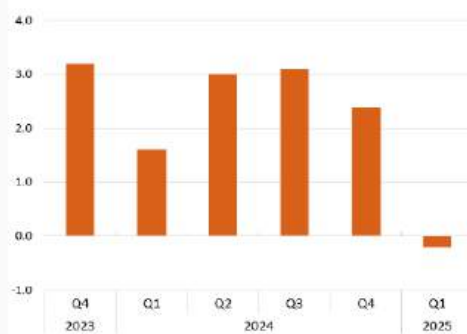
[Current Release](#)

[Quick Guide: GDP Releases](#)

Current release: May 29, 2025

Next release: June 26, 2025

Real GDP, Percent Change from Preceding Quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

U.S. International Trade in Goods and Services, April 2025

April 2025	-\$61.6 B
March 2025	-\$138.3 B

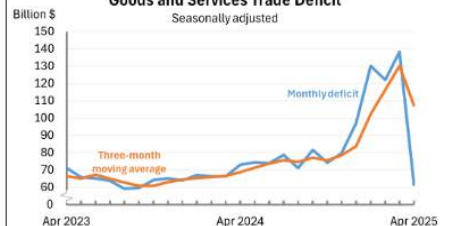
The U.S. monthly international trade deficit decreased in April 2025 according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit decreased from \$138.3 billion in March (revised) to \$61.6 billion in April, as exports increased and imports decreased. The goods deficit decreased \$75.2 billion in April to \$87.4 billion. The services surplus increased \$1.5 billion in April to \$25.8 billion.

[Current Release](#)

Current Release: June 5, 2025

Next release: July 3, 2025

Goods and Services Trade Deficit



U.S. Bureau of Economic Analysis
U.S. Census Bureau

U.S. International Trade in Goods and Services
June 5, 2025

We are seeing the magnificent 7 – who drove returns last year, be outperformed by roughly 90% of companies in MSCI All Country World Index (ACWI).

% of companies in MSCI ACWI outperforming Magnificent-7 over previous three months, USD terms

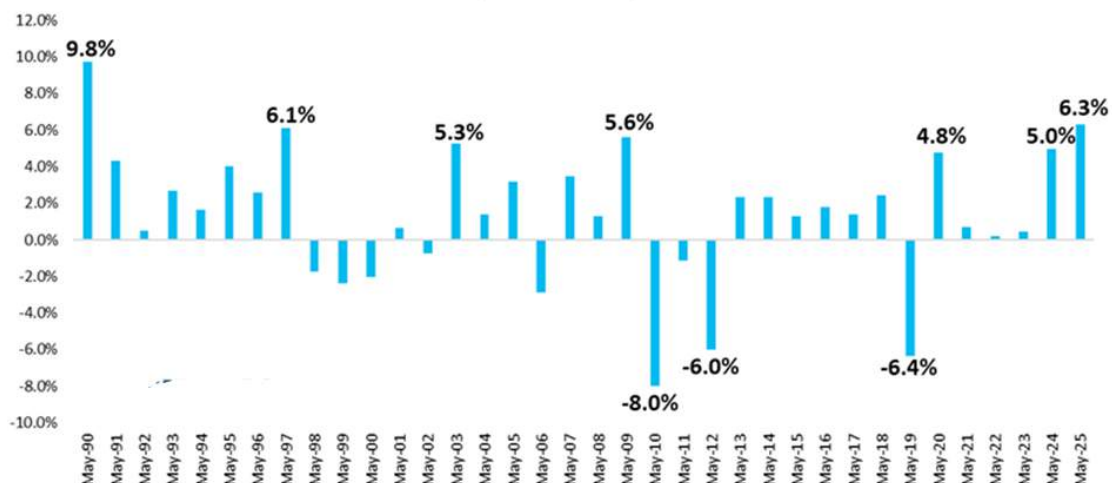


Past performance is not a guide to future performance and may not be repeated.
All data is month end apart from latest which is as at 30 April 2025. Based on total return indices in USD terms. Source: LSEG Datastream, MSCI, Schroders. Data to 30 April 2025. Please see relevant disclaimers on page 48.

Schroders

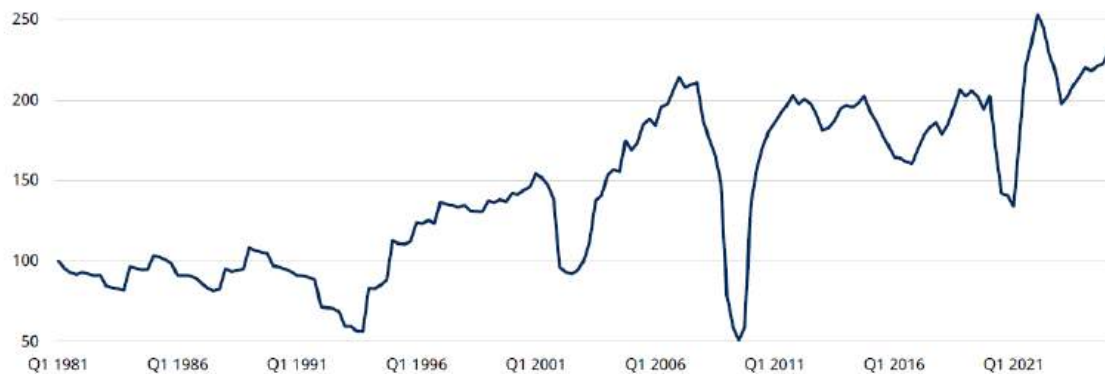
Those who followed the adage this year would have missed a 6.3% gain for the S&P 500 last month. That was the best May return for the index since 1990.

S&P 500 Total Returns in May
(1990 - 2025)



Interestingly, US companies have been generating near-record profits per employee.

Real profits/employee, indexed to 100: US public companies



Past performance is not a guide to future performance and may not be repeated.
Based on Datastream Total Market index. Source: LSEG Datastream and Schroders. Data to Q1 2025. Please see relevant disclaimers on page 48.

Schroders

Global portfolios are very focused on US equities.

MSCI USA weight in major global benchmarks



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Source: LSEG Datastream, MSCI and Schroders. Data to 30 April 2025. Please see relevant disclaimers on page 48.

Schroders

And the US itself is heavily concentrated in just a few stocks. As the 10 largest stocks now represent 37% of the index.

Weight of 10 largest stocks in S&P 500



Past performance is not a guide to future performance and may not be repeated.
As at 31 December 2024. S&P 500 top 10 issues annually by % of index market value from 1980 – 2024. S&P 500 used rather than MSCI USA for reasons of data availability. Full market values (not adjusted for float) is used for historical comparison. Source: S&P. Please see relevant disclaimers on page 48.

Schroders

We saw the largest drop on the volatility index in history, off the back of the tariff increase dropping to 17.24 (the historical average is 19.49).



The most likely reason is that markets are no longer viewing Trumps tariffs as hard and fast but an ongoing negotiation.

Figure 2. U.S. Average Effective Tariff Rate Since 1790

Customs duty revenue as a percent of goods imports

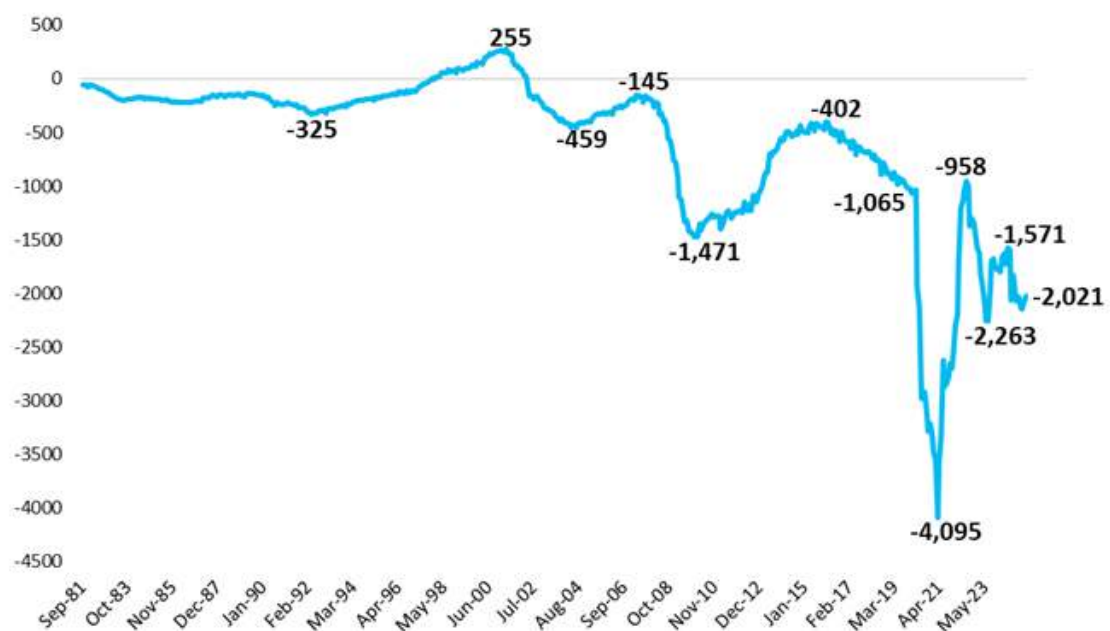


* Assumes revised April 9 tariffs stay in place.

Chart: The Budget Lab • Source: Historical Statistics of the United States Ea424-434, Monthly Treasury Statement, Bureau of Economic Analysis, The Budget Lab analysis. • Created with [Datawrapper](#)

As for the US economy itself, Moody's downgraded US government debt from AAA to AA1. The reason being is that large fiscal deficits and the increased interest cost as successive US governments do little to reverse the trend.

US Federal Budget Surplus/Deficit in Billions
(Trailing 12 Months, Jan 1980 to Apr 2025)

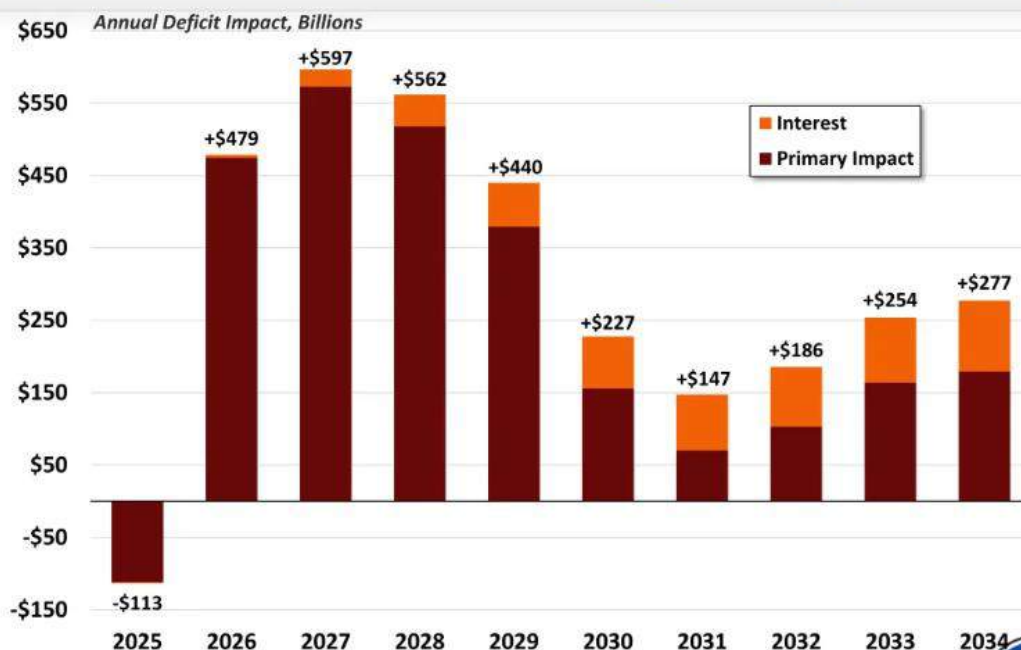


Interest Expense on US Public Debt Outstanding (\$Billions, Trailing 12 Months, Through April 2025)



Furthermore, the current US administration just passed the “One Big Beautiful Bill Act” which will extend 2017 tax cuts which adds even more cuts and increases overall spending. As it stands, the bill will increase government debt and borrowing. It is projected to increase the US budget deficit by \$3.3 trillion over the next 10 years.

CBO Estimates House Bill Adds Significantly to Deficits

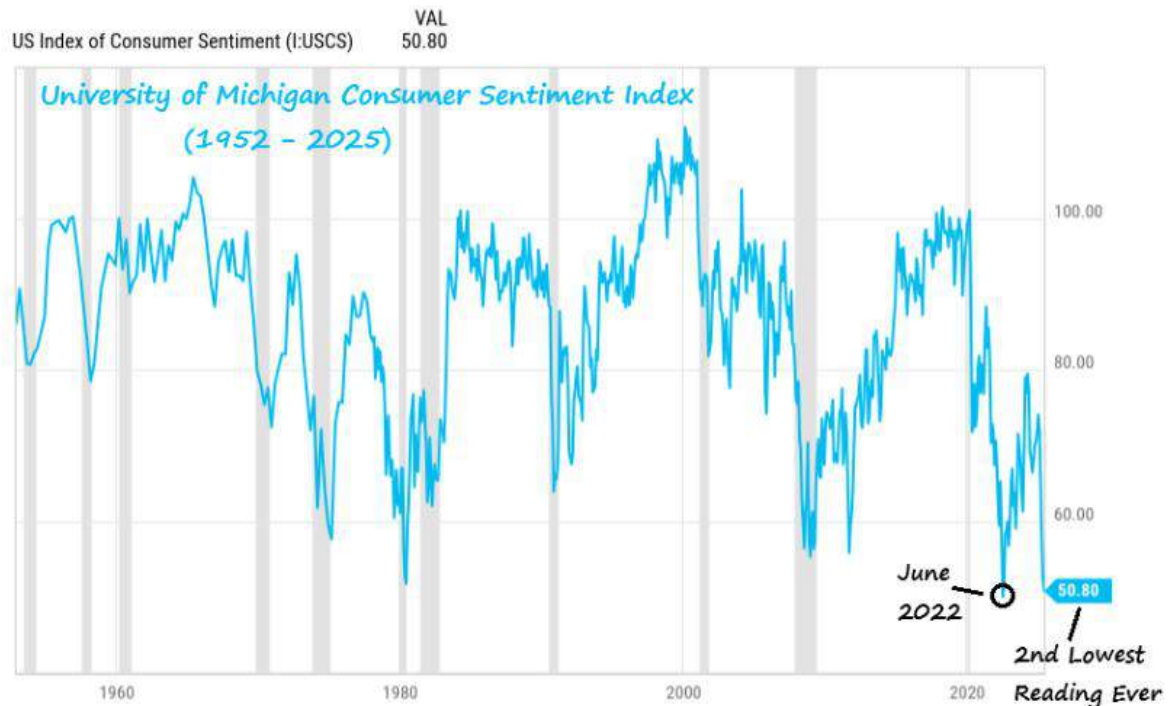


Sources: Congressional Budget Office and CRFB estimates.

CRFB.org



Fears of a US recession are still there lingering as US consumer sentiment has fallen to historically low levels.



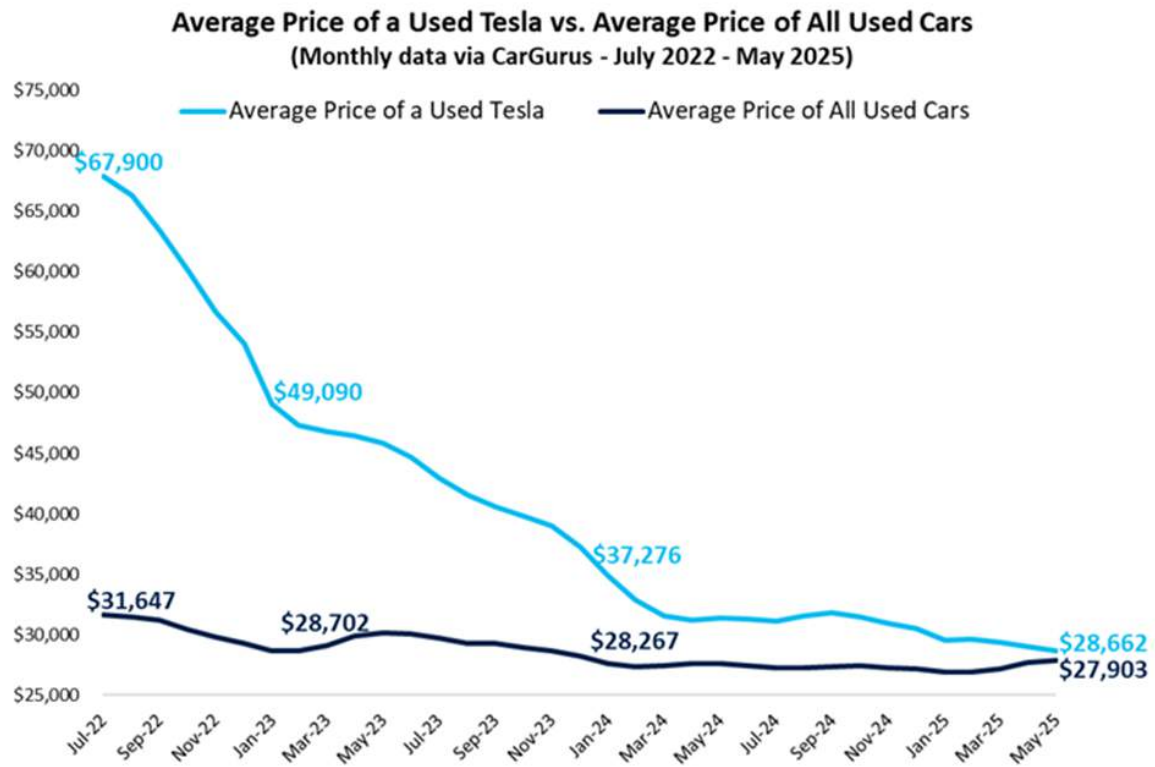
Consumer fears are around increased inflation and unemployment but many of the recent surveys were performed before positive developments in trade talks between the US, the UK and China.

For example, retail sales have bounced back.



Investors appear to be looking past these concerns, however, with Nvidia surpassing Microsoft to become the largest company in the world. Its market cap of \$3.46 trillion is 290x higher than a decade ago (\$12 billion). We've never seen anything like this before. This is the fastest growing company in history.





The Dow Jones has faltered recently on its climb back to pre-tariff highs, but the tech heavy NASDAQ is within touching distance of record highs.

Market Summary > Nasdaq Composite

19,298.45

INDEXNASDAQ: .IXIC

+2,125.33 (12.38%) ↑ past year

5 June, 5:15 pm GMT-4 • Disclaimer



Open	19,518.20	High	19,610.51	52-wk high	20,204.58
Prev close	19,460.49	Low	19,226.22	52-wk low	14,784.03

Market Summary > EURO STOXX 50

5,410.55

+341.46 (6.74%) ↑ past year

5 June, 6:00 pm GMT+2 • Disclaimer



Open	5,406.69	Low	5,382.10	52-wk high	5,568.19
High	5,432.38	Prev close	5,405.15	52-wk low	4,473.94

Major market indicators:

	30-Apr-25	31-Mar-25	28-Feb-25	Qtr change	1 year change
Interest Rates (at close of period)					
Aus 90 day Bank Bills	3.89%	4.12%	4.17%	-44.0	-48.0
Aus 10yr Bond	4.13%	4.42%	4.42%	-35.5	-14.2
US 90 day T Bill	4.20%	4.21%	4.20%	+0.0	-105.0
US 10 yr Bond	4.16%	4.21%	4.20%	-39.1	-52.4
Currency (against the AUD)					
US Dollar	0.640	0.623	0.622	2.58%	-1.46%
British Pound	0.479	0.485	0.494	-4.47%	-8.01%
Euro	0.564	0.580	0.598	-5.92%	-7.56%
Japanese Yen	91.63	93.56	93.40	-4.91%	-10.25%
Trade-Weighted Index	59.90	59.60	59.50	0.50%	-3.70%
Equity Markets					
Australian All Ordinaries	3.6%	-3.5%	-4.0%	-4.0%	8.8%
MSCI Australia Value (AUD)	2.9%	-2.5%	-3.1%	-2.7%	8.8%
MSCI Australia Growth (AUD)	5.3%	-5.4%	-4.0%	-4.3%	15.6%
S&P 500 (USD)	-0.7%	-5.6%	-1.3%	-7.5%	12.1%
MSCI US Value (USD)	-3.5%	-2.4%	1.0%	-5.0%	8.6%
MSCI US Growth (USD)	2.5%	-9.0%	-3.8%	-10.3%	15.8%
MSCI World (USD)	0.9%	-4.4%	-0.7%	-4.2%	12.6%
Nikkei (YEN)	1.2%	-3.3%	-6.0%	-8.1%	-4.3%
CSI 300 (CNY)	-2.9%	-0.1%	1.9%	-1.1%	8.1%
FTSE 100 (GBP)	-0.7%	-2.0%	2.0%	-0.7%	8.2%
DAX (EUR)	1.5%	-1.7%	3.8%	3.5%	25.5%
Euro 100 (EUR)	-1.9%	-1.9%	2.8%	-1.1%	4.1%
MSCI Emerging Markets (USD)	1.3%	0.7%	0.5%	2.5%	9.6%
Commodities					
Iron Ore (USD)	-5.4%	-1.5%	-1.4%	-8.2%	-18.7%
Crude Oil WTI U\$/BBL	-17.1%	2.7%	-3.9%	-18.2%	-28.7%
Gold Bullion \$/t oz	5.9%	9.6%	1.5%	17.7%	44.1%

Welcome to the Australian Bureau of Statistics

Population

27,309,396

30 September 2024

Consumer price index

2.4%

Annual change March 2025
quarter

Gross domestic product

0.2%

Quarterly change Mar 2025

Average weekly earnings

\$1,975.80

November 2024

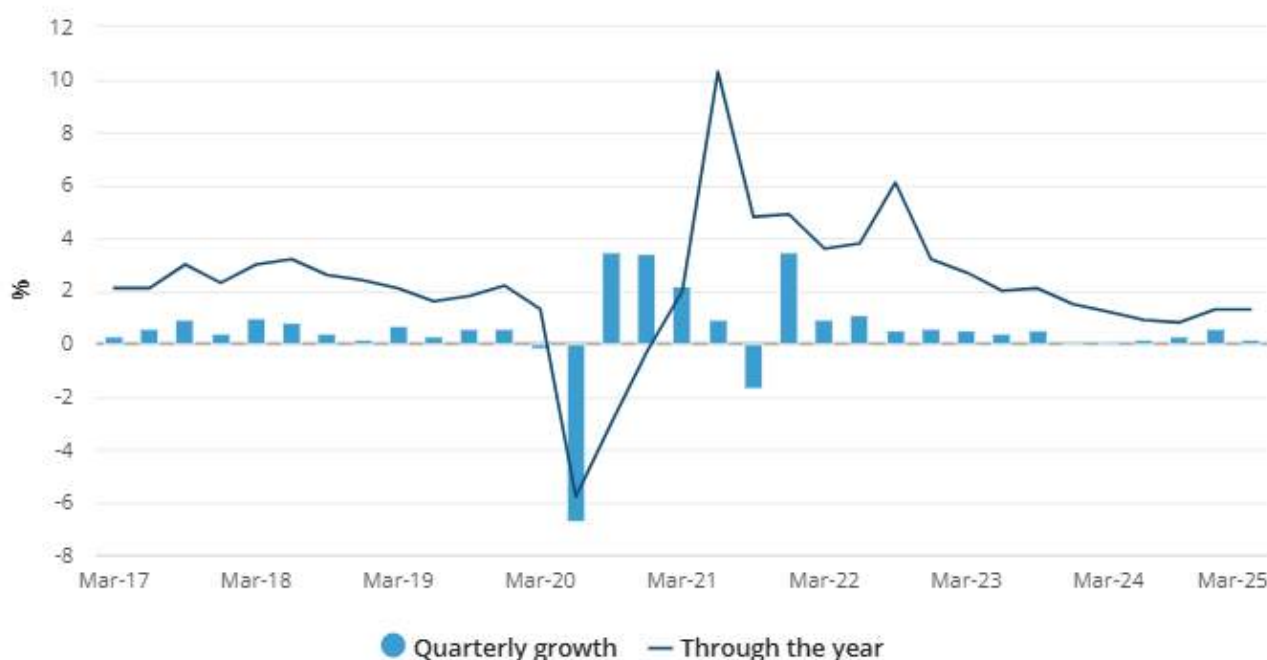
Unemployment rate

4.1%

April 2025

We've just had the release of the March quarter Gross Domestic Product (GDP) figures. GDP rose +0.2% quarter on quarter, which was much lower than last quarter's +0.6%, while the annual run rate stayed at +1.3% year on year with expectations closer to +1.5%.

Gross domestic product, chain volume measures, seasonally adjusted

[Graph](#)
[Table](#)
[Download](#)


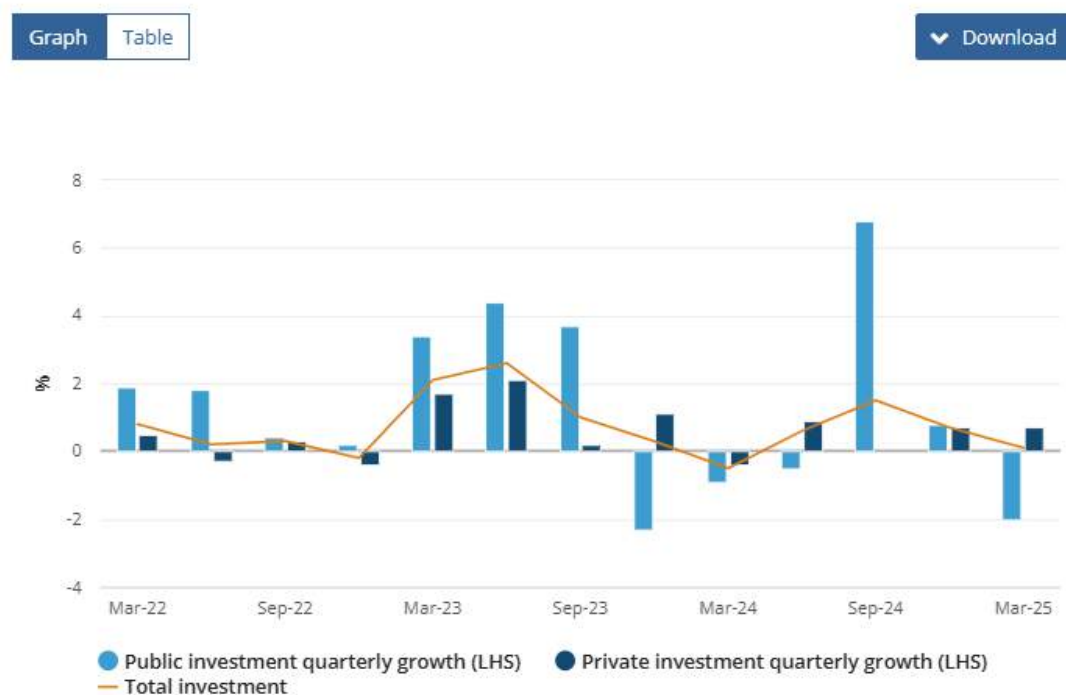
Prices continue to grow as a result of increased public and private sector labour costs, increased prices for services and higher fuel prices.

Quarterly growth in prices, seasonally adjusted

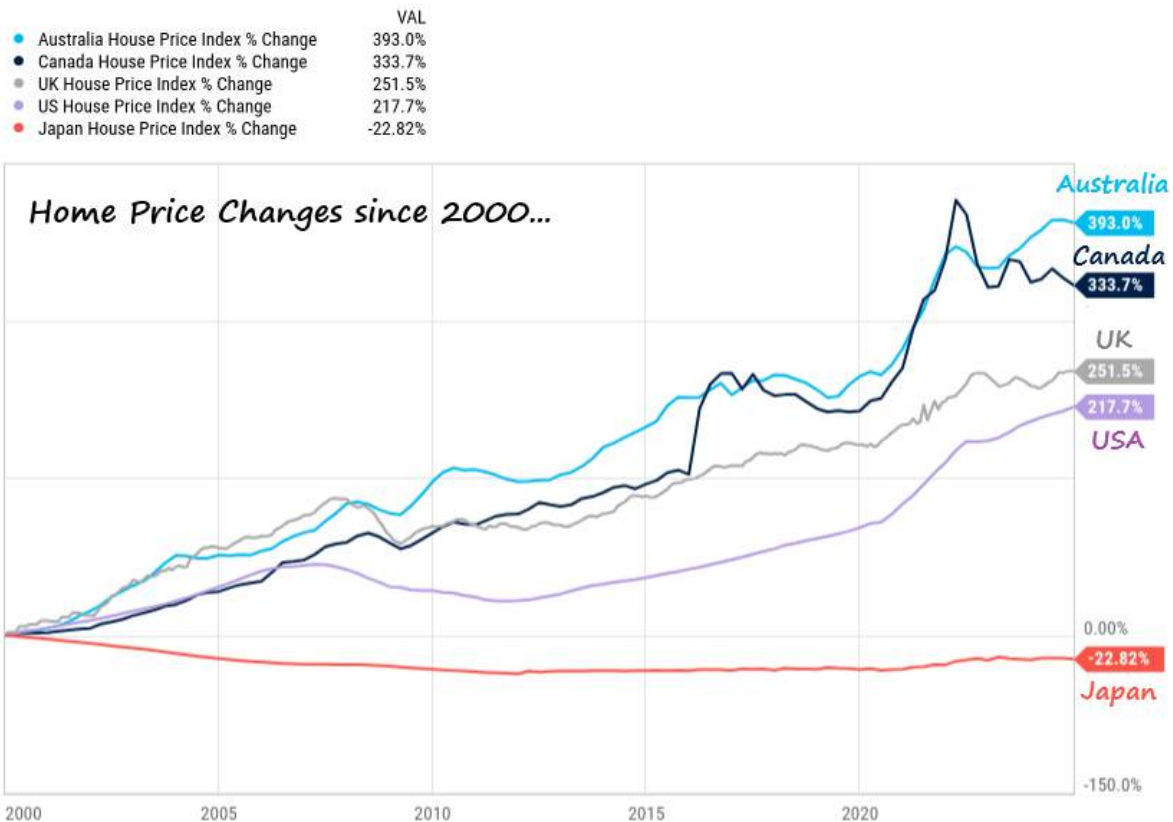


Private investment rose while public investment fell. Investment overall fell.

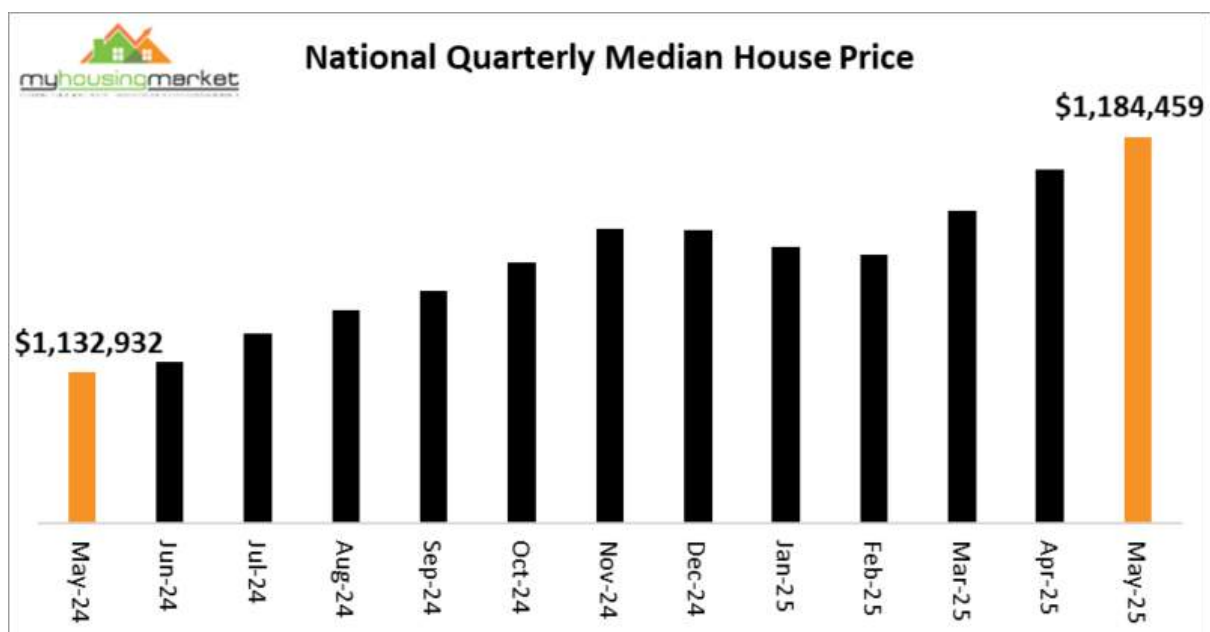
Private and public investment, chain volume measures, seasonally adjusted



If you felt like Australian house prices might have increased the most over the last 25 years, you wouldn't be wrong – increasing 393% since 2000 while Canada and the US increased 333.7% and 217.7% respectively.



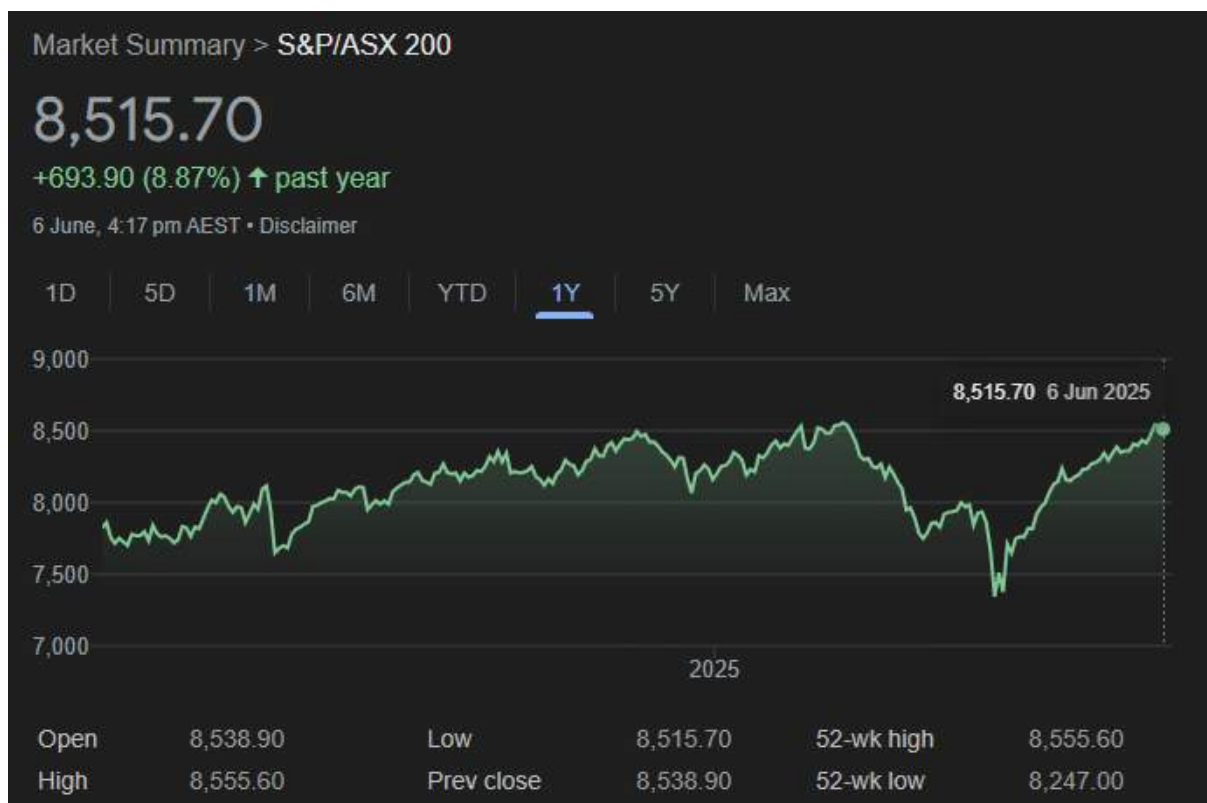
With median house price at \$1,184,459.



The All Ords is nearly back to record highs, completely reversing the tariff dip.



Along with the ASX 200.





Shipping costs have spiked back up as the fear of tariffs decreased and the need to fill backorders.

Global container shipping volumes saw a mixed performance in early 2025, with January showing a significant increase of 11.2%. However, projections for 2025 have been revised downwards, with Linerlytica and Drewry now predicting a decline of 1.1% in global container throughput for the year. This shift is attributed to factors like the impact of trade tariffs and the potential for overcapacity in the market. [🔗](#)



QLD clearance rate*

Updated Wed 4 Jun 11:30 PM AEST

Based on **262** auction results available

SOLD

71

Sold at auction

32

Sold prior to auction

11

Sold after auction

NOT SOLD

25

Withdrawn

123

Passed in

294 auctions scheduled

01:29 am CDT 06/06/2025

Technicals

WTI Crude

(July Contract)

63.10 -0.44%



1D | 1WK | 1M | 1YR | Max

Copy

Share

1 Australian Dollar equals

0.65 United States Dollar

6 June, 6:30 am UTC · From Morningstar · Disclaimer

1

Australian Dollar ▼

0.65

United States Dollar ▼

1D 5D 1M 1Y 5Y Max

