



July Monthly Economic Market Wrap

Troy Theobald

Founding Partner

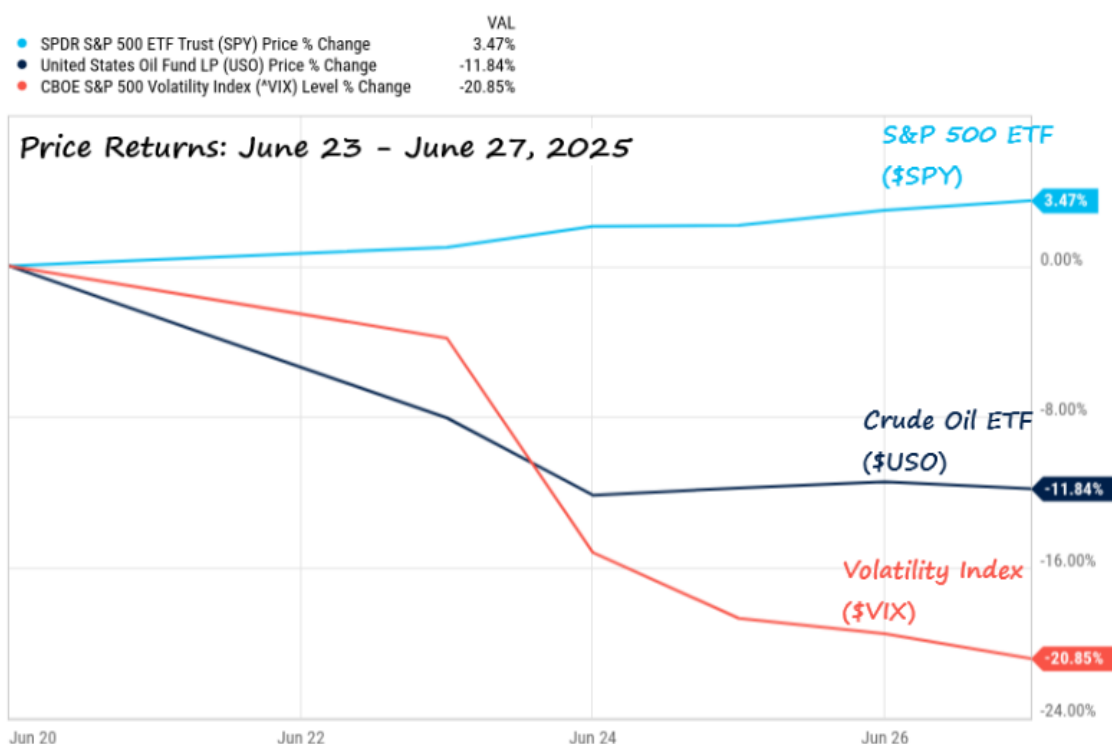
General advice warning:

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.



After the US bombing of Iran, stocks were expected to fall and Crude Oil was expected to spike. But instead, markets didn't really react.

- S&P 500: +3.5%
- Crude Oil: -12%
- Volatility Index \$VIX: -21%



On the 8th of April, the S&P 500 was off to one of its worst starts to a year in history, down 15% on the year.

S&P 500: Worst Performance through First 66 Trading Days (1928 - 2025)				
Rank	Year	Price Return: First 66 Trading Days	Price Return: Day 67 to Year-End	Price Return: Full Calendar Year
1	1932	-20.4%	7.1%	-14.8%
2	1939	-18.9%	16.9%	-5.2%
3	2020	-17.6%	41.0%	16.3%
4	2025	-15.3%		
5	2001	-12.8%	-0.3%	-13.0%
6	1938	-10.1%	38.6%	24.5%
7	2009	-9.7%	36.7%	23.5%
8	1977	-8.8%	-3.0%	-11.5%
9	1973	-8.1%	-10.1%	-17.4%
10	1935	-7.6%	53.0%	41.4%
11	1960	-6.7%	4.0%	-3.0%
12	1942	-6.6%	20.3%	12.4%
13	2008	-6.5%	-35.1%	-39.3%
14	1953	-6.2%	-0.5%	-6.6%
15	2022	-6.0%	-14.3%	-19.4%
16	1982	-5.9%	21.6%	14.5%
17	1978	-5.6%	7.0%	1.1%
18	1980	-5.4%	32.5%	25.4%
19	1957	-4.8%	-10.0%	-14.3%
20	1984	-4.5%	5.5%	0.8%
				(As of 4/8/25)

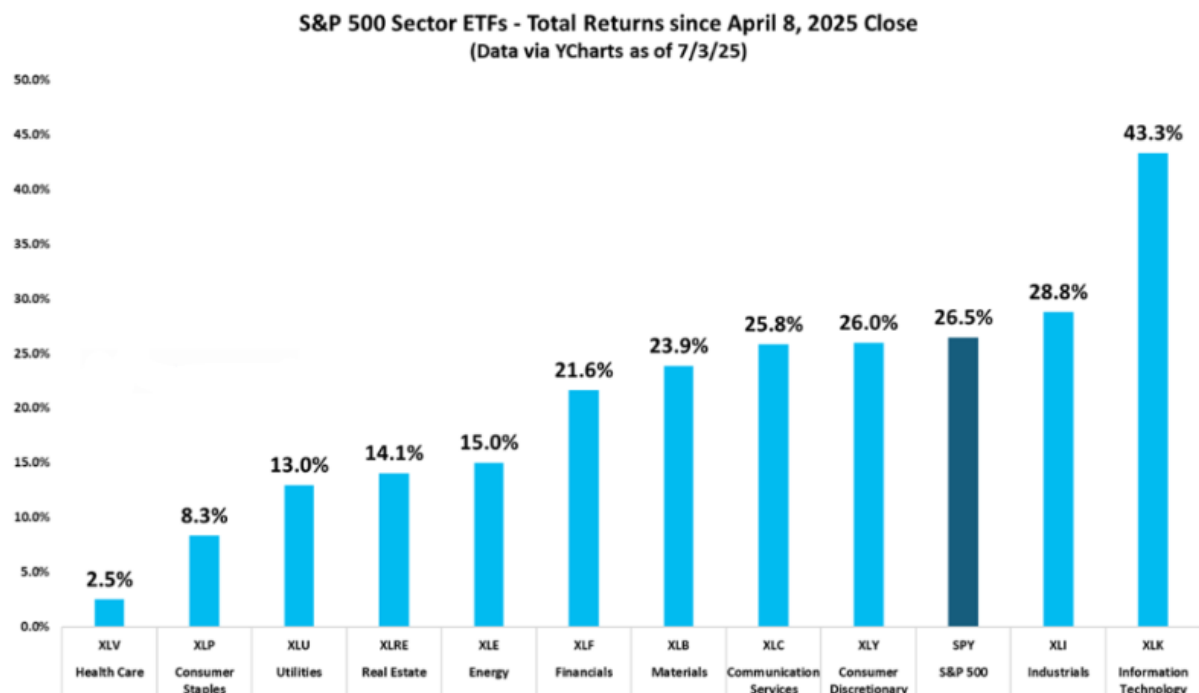
The S&P 500 has gained 24% over the last 13 weeks, one of the biggest short-term rallies in history.

Biggest 13-Week S&P 500 Total Return Gains				
Start Date	End Date	Start S&P TR	End S&P TR	% Change
3/6/2009	6/5/2009	1106	1531	38.4%
3/20/2020	6/19/2020	4697	6345	35.1%
10/9/1998	1/8/1999	1333	1733	30.0%
4/3/2020	7/3/2020	5075	6414	26.4%
2/27/2009	5/29/2009	1189	1496	25.8%
3/13/2009	6/12/2009	1225	1542	25.8%
4/11/1997	7/11/1997	975	1217	24.9%
4/4/2025	7/4/2025	11178	13880	24.2%
4/25/1997	7/25/1997	1012	1247	23.2%
10/2/1998	1/1/1999	1357	1670	23.0%
7/10/2009	10/9/2009	1435	1758	22.5%
1/11/1991	4/12/1991	351	427	21.7%
4/4/1997	7/4/1997	1001	1217	21.6%
9/4/1998	12/4/1998	1317	1597	21.3%
3/20/2009	6/19/2009	1245	1501	20.6%
1/9/1998	4/10/1998	1242	1493	20.2%
4/18/1997	7/18/1997	1013	1216	20.0%
3/7/2003	6/6/2003	1193	1427	19.7%
10/27/2023	1/26/2024	8886	10598	19.3%
3/14/2003	6/13/2003	1200	1429	19.1%
Average (20 Biggest 13-Week % Gains)				
Average All Other Periods				
Differential				

And the rising tide has taken all ships and every major US asset class is in positive territory for 2025.

Asset Class Total Returns Since 2011 (Data via YCharts as of 7/3/25)																	2011-25 Cumulative	2011-25 Annualized
ETF	Asset Class	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
GLD	Gold	9.6%	6.6%	-28.3%	-2.2%	-10.7%	8.0%	12.8%	-1.9%	17.9%	24.8%	-4.2%	-0.8%	12.7%	26.7%	26.8%	121%	5.6%
EFA	EAFE Stocks	-12.2%	18.8%	21.4%	-6.2%	-1.0%	1.4%	25.1%	-13.8%	22.0%	7.6%	11.5%	-14.4%	18.4%	3.5%	20.4%	138%	6.1%
N/A	Bitcoin (BTC)	1473%	186%	5507%	-58%	35%	125%	1331%	-73%	95%	301%	66%	-65%	156%	121%	17.4%	36547070%	141.9%
VWO	Emerging Market Stocks	-18.7%	19.2%	-4.9%	0.0%	-15.8%	12.2%	31.5%	-14.8%	20.8%	15.2%	1.3%	-18.0%	9.3%	10.6%	14.0%	55%	3.1%
QQQ	US Nasdaq 100	3.4%	18.1%	36.6%	19.2%	9.5%	7.1%	32.7%	-0.1%	39.0%	48.6%	27.4%	-32.6%	54.9%	25.6%	9.1%	1062%	18.4%
CWB	Convertible Bonds	-7.7%	15.9%	20.5%	7.7%	-0.8%	10.6%	15.7%	-2.0%	22.4%	53.4%	2.2%	-20.8%	14.5%	10.1%	7.7%	256%	9.2%
IWD	US Value	0.1%	17.5%	32.1%	13.2%	-4.0%	17.3%	13.5%	-8.5%	26.1%	2.7%	25.0%	-7.7%	11.4%	14.2%	7.6%	320%	10.4%
SPY	US Large Caps	1.9%	16.0%	32.2%	13.5%	1.2%	12.0%	21.7%	-4.5%	31.2%	18.4%	28.7%	-18.2%	26.2%	24.9%	7.3%	546%	13.7%
IWF	US Growth	2.3%	15.2%	33.1%	12.8%	5.5%	7.0%	30.0%	-1.7%	35.9%	38.3%	27.4%	-29.3%	42.6%	33.1%	6.9%	777%	16.1%
EMB	EM Bonds (USD)	7.7%	16.9%	-7.8%	6.1%	1.0%	9.3%	10.3%	-5.5%	15.5%	5.4%	-2.2%	-18.6%	10.6%	5.5%	6.7%	71%	3.8%
HYG	High Yield Bonds	6.8%	11.7%	5.8%	1.9%	-5.0%	13.4%	6.1%	-2.0%	14.1%	4.5%	3.8%	-11.0%	11.5%	8.0%	5.2%	100%	4.9%
TIP	TIPS	13.3%	6.4%	-8.5%	3.6%	-1.8%	4.7%	2.9%	-1.4%	8.3%	10.8%	5.7%	-12.2%	3.8%	1.7%	4.4%	46%	2.7%
LQD	Investment Grade Bonds	9.7%	10.6%	-2.0%	8.2%	-1.3%	6.2%	7.1%	-3.8%	17.4%	11.0%	-1.8%	-17.9%	9.4%	0.9%	4.4%	68%	3.6%
DBC	Commodities	-2.6%	3.5%	-7.6%	-26.1%	-27.6%	18.6%	4.9%	-11.6%	11.8%	-7.8%	41.4%	19.3%	-6.2%	2.2%	4.2%	-8%	-0.5%
BND	US Total Bond Market	7.7%	3.9%	-2.1%	5.8%	0.6%	2.5%	3.6%	-0.1%	8.8%	7.7%	-1.9%	-13.1%	5.7%	1.4%	3.6%	37%	2.2%
VNQ	US REITs	8.6%	17.6%	2.3%	30.4%	2.4%	8.6%	4.9%	-6.0%	28.9%	-4.7%	40.5%	-26.2%	11.8%	4.8%	3.1%	188%	7.6%
MDY	US Mid Caps	-2.1%	17.8%	33.1%	9.4%	-2.5%	20.5%	15.9%	-11.3%	25.8%	13.5%	24.5%	-13.3%	16.1%	13.6%	2.8%	324%	10.5%
BIL	US Cash	0.0%	0.0%	-0.1%	-0.1%	-0.1%	0.1%	0.7%	1.7%	2.2%	0.4%	-0.1%	1.4%	4.9%	5.2%	2.1%	20%	1.2%
PFF	Preferred Stocks	-2.0%	17.8%	-1.0%	14.1%	4.3%	1.3%	8.1%	-4.7%	15.9%	7.9%	7.2%	-18.2%	9.2%	7.2%	2.0%	86%	4.4%
TLT	Long Duration Treasuries	34.0%	2.6%	-13.4%	27.3%	-1.8%	1.2%	9.2%	-1.6%	14.1%	18.2%	-4.6%	-31.2%	2.8%	-8.1%	1.7%	38%	2.2%
IWM	US Small Caps	-4.4%	16.7%	38.7%	5.0%	-4.5%	21.6%	14.6%	-11.1%	25.4%	20.0%	14.5%	-20.5%	16.8%	11.4%	1.5%	248%	9.0%
Highest Return		BTC	BTC	BTC	VNQ	BTC	BTC	BTC	BTC	BTC	BTC	BTC	DBC	BTC	BTC	GLD	BTC	BTC
Lowest Return		EEM	BIL	GLD	BTC	DBC	BIL	BIL	BTC	BIL	DBC	TLT	BTC	DBC	DBC	IWM	DBC	DBC
% of Asset Classes Positive		62%	95%	52%	71%	38%	100%	100%	5%	100%	90%	71%	10%	95%	95%	100%	95%	95%

After a rough start to 2025, the S&P Tech sector is now up 43% since the April 8th closing low.

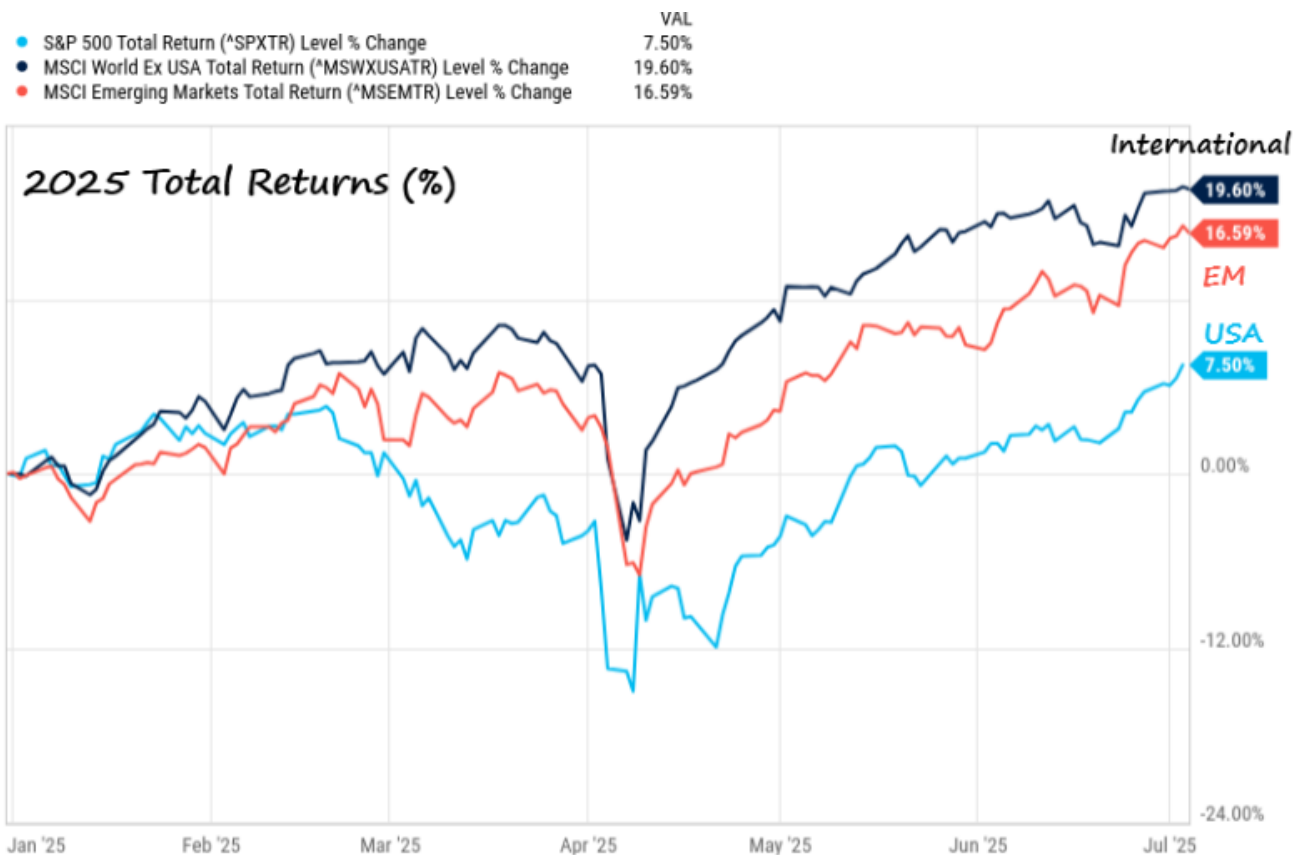


As Tech is by far the biggest sector in the S&P 500 (33% weight), that's helped the index stage one of the most remarkable recoveries in history. It took less than 3 months from the April bear market lows for the S&P 500 to hit a new all-time high. This was the 2nd fastest recovery for US stocks in the last 75 years.

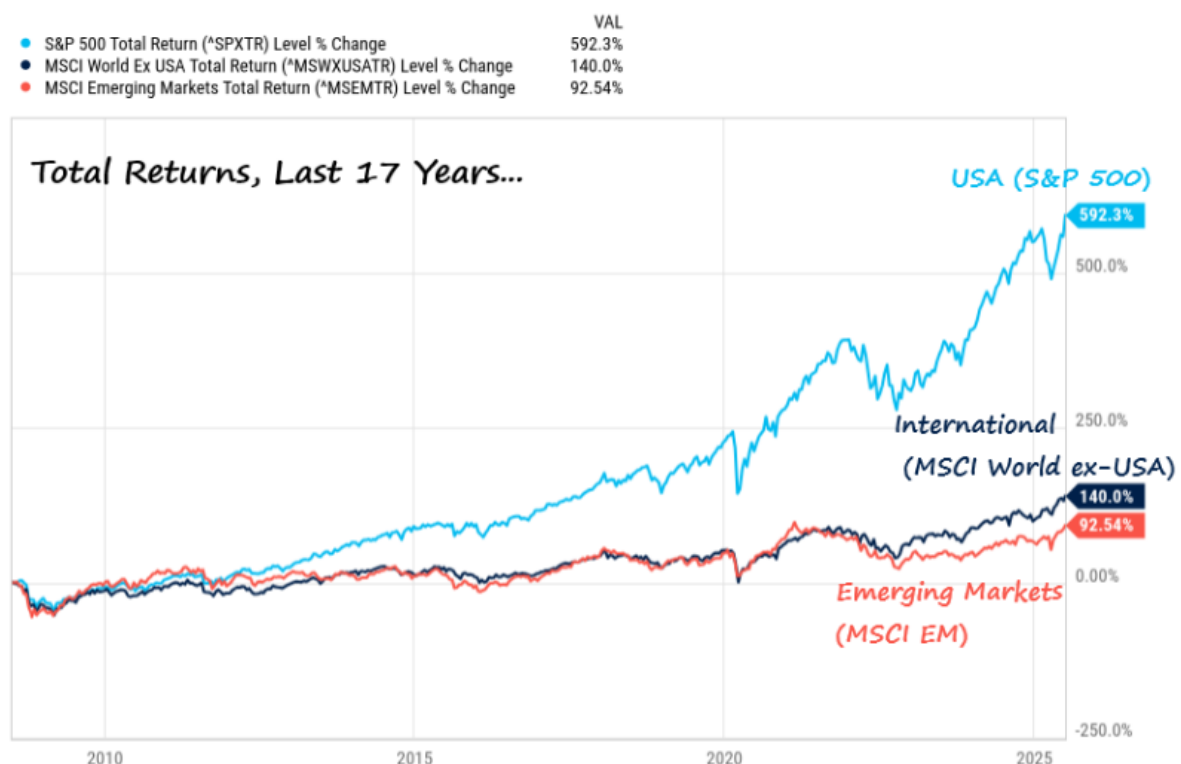
The S&P 500 has now rallied 30% off the April intra-day lows.



International stocks are up nearly 20% including dividends versus a 7.5% total return for the S&P 500.



But given the dominance of US stocks over the past decade-plus, it would take many more years like 2025 to make a dent in the long-term performance gap. Over the last 17 years, US stocks have gained 592% versus 140% for international stocks and 93% for emerging markets.

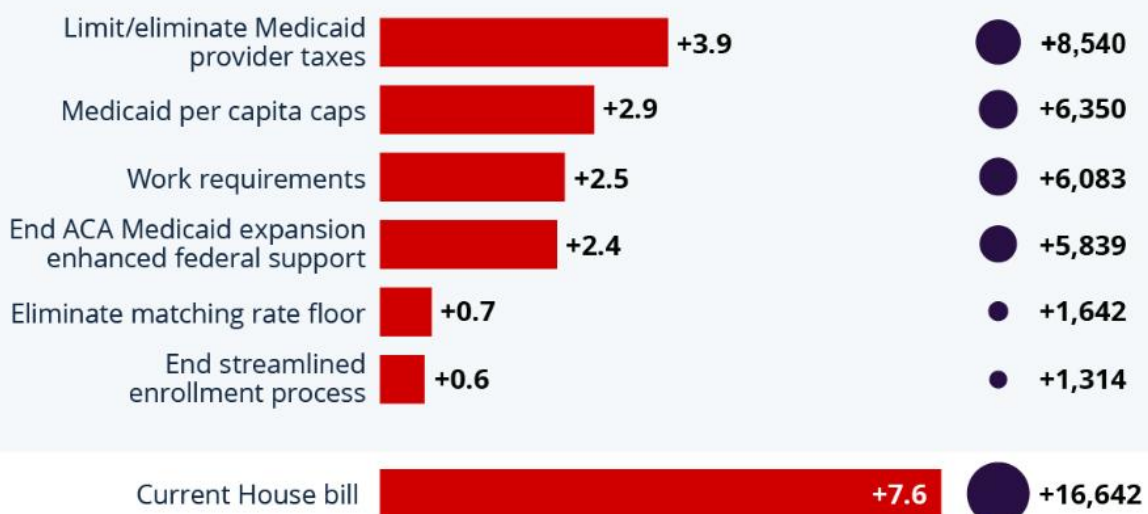


Trump's "Big Beautiful Bill" threatens to throw millions of Americans off health insurance, and it has been passed into law.

Medicaid Cuts: Major Insurance Loss, Increase in Deaths

Projected effects of proposed House budget bill and its components on U.S. uninsured and death numbers

■ Number of uninsured (in millions) ● Number of annual deaths



Mid-range estimate, deaths based on Miller et al. Medicaid and mortality (2021)

Source: Gaffney et al. Projected Effects of Proposed Cuts in Federal Medicaid Expenditures. Annals of Internal Medicine (2025)



statista

And the average US health insurance premium has been climbing at an alarming rate over the last 25 years.

Average US family health insurance premium...

2000: \$6k

2003: \$9k

2006: \$11k

2009: \$13k

2012: \$16k

2015: \$18k

2018: \$20k

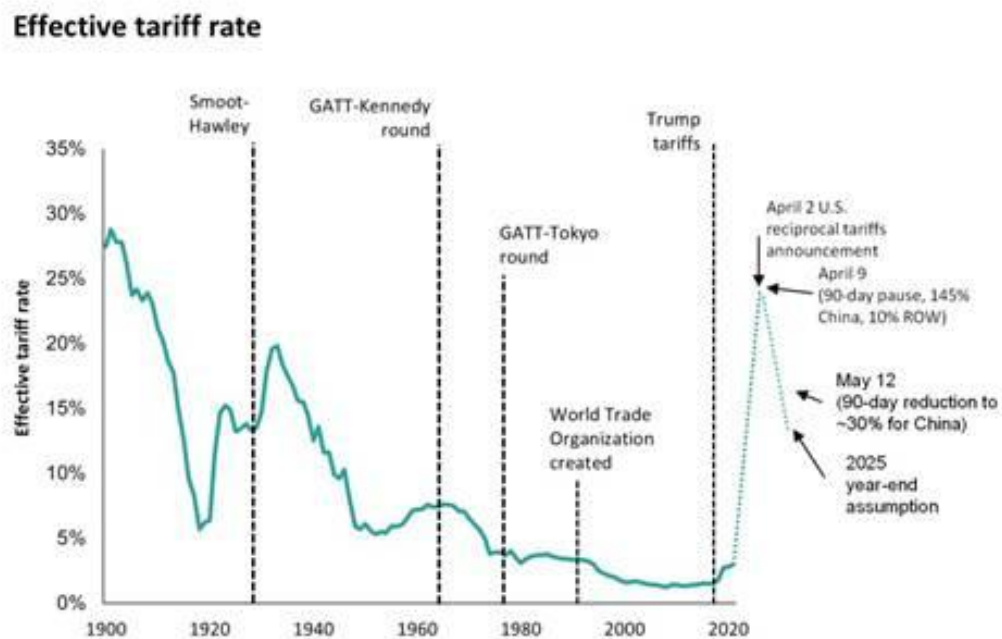
2021: \$22k

2024: \$26k

That's a 342% increase since 1999
(6.1% per year).

(Note: US CPI inflation has
increased 2.5%/year)

The below chart is courtesy of Vanguard and shows historical tariff rates of the United States including Trump's "Liberation Day" round. It shows an assumed effective tariff rate for the end of 2025; however, this graph was produced before his latest announcement of fresh tariffs on copper and pharmaceuticals.



Notes: The chart shows the effective tariff rate throughout history for the United States along with notable tariff and trade agreements. GATT stands for General Agreements on Tariffs and Trade. The sensitivity of a 1 percentage point increase in the effective tariff rate is ~0.10% on growth and 0.08% on inflation.

Sources: Vanguard calculations based on data from the U.S. International Trade Commission.

Uncertainty around tariffs could be a headwind for GDP growth and present inflationary pressures. We are seeing that tariffs are being used frequently as a policy tool by the Trump administration and with preloading of imports in the US, recent data hasn't shown the full effect of tariffs just yet.

Negotiations are still ongoing with Trump threatening an August 1st deadline on countries that haven't reached a deal at that stage. Below shows the rates announced on the 2nd of April versus the rates announced on the 7th of July.

Which Countries Have Received Trump's Tariff Letters?

New tariff rates for the following countries should they fail to reach a trade deal with the U.S. by Aug. 1



As of July 8, 2018

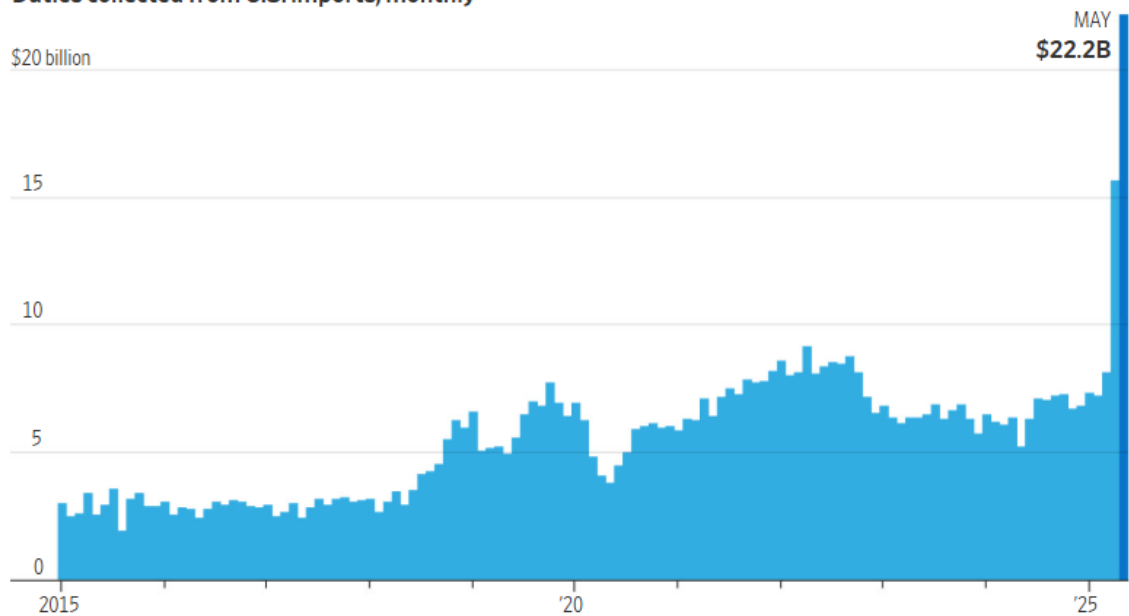
Source: The White House



statista

The US collected a record \$22 billion in customs duties in May 2025, which was nearly 4 times higher than the same month in 2024.

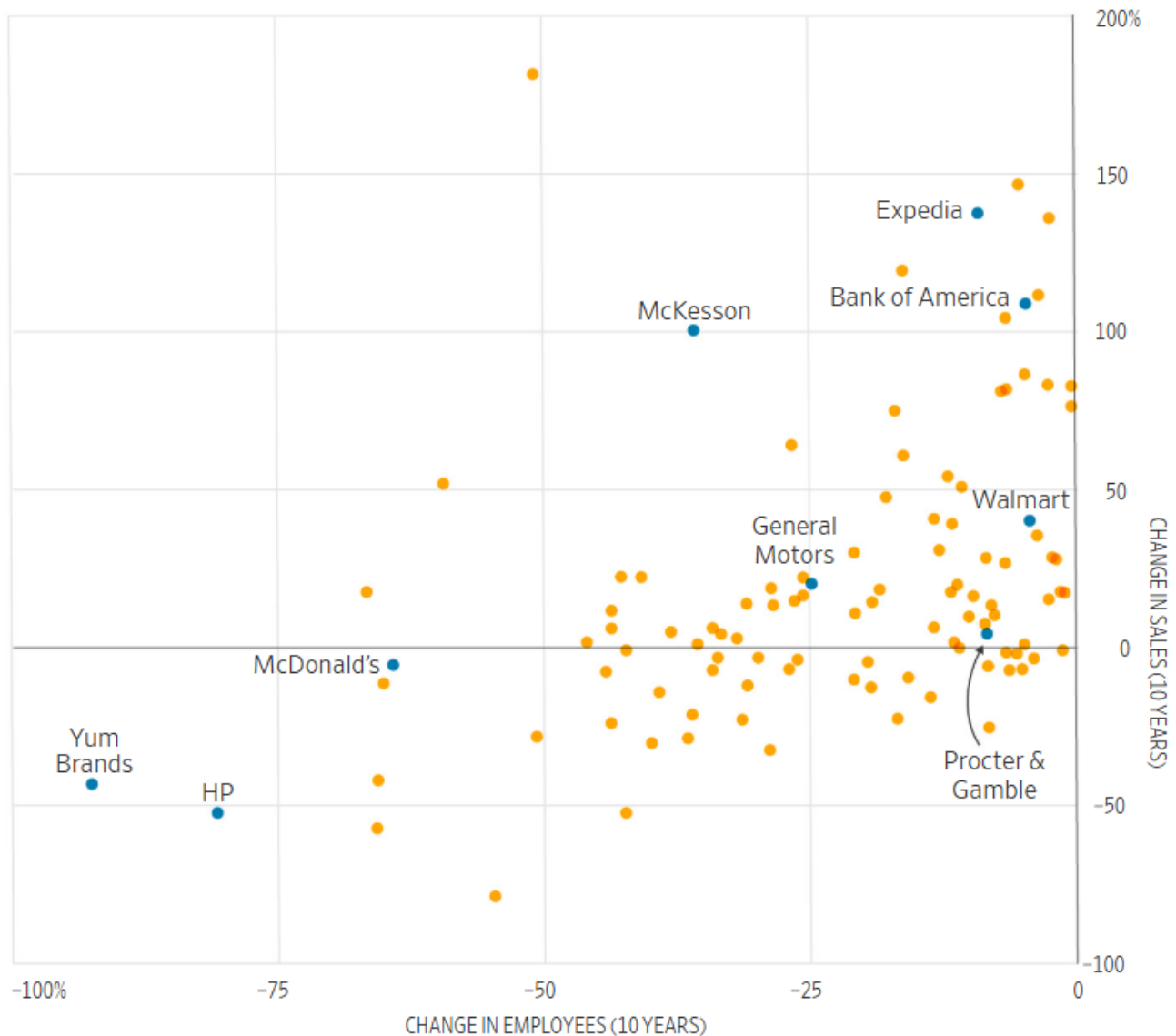
Duties collected from U.S. imports, monthly



Note: Receipts from customs duties deduct refunds.
Source: Treasury Department

There is a change in employment with 20% of companies in the S&P 500 showing fewer employees today than a decade ago, including McDonald's, General Motors, Procter & Gamble, Bank of America, and Walmart.

S&P 500 companies that have fewer employees than they had 10 years ago

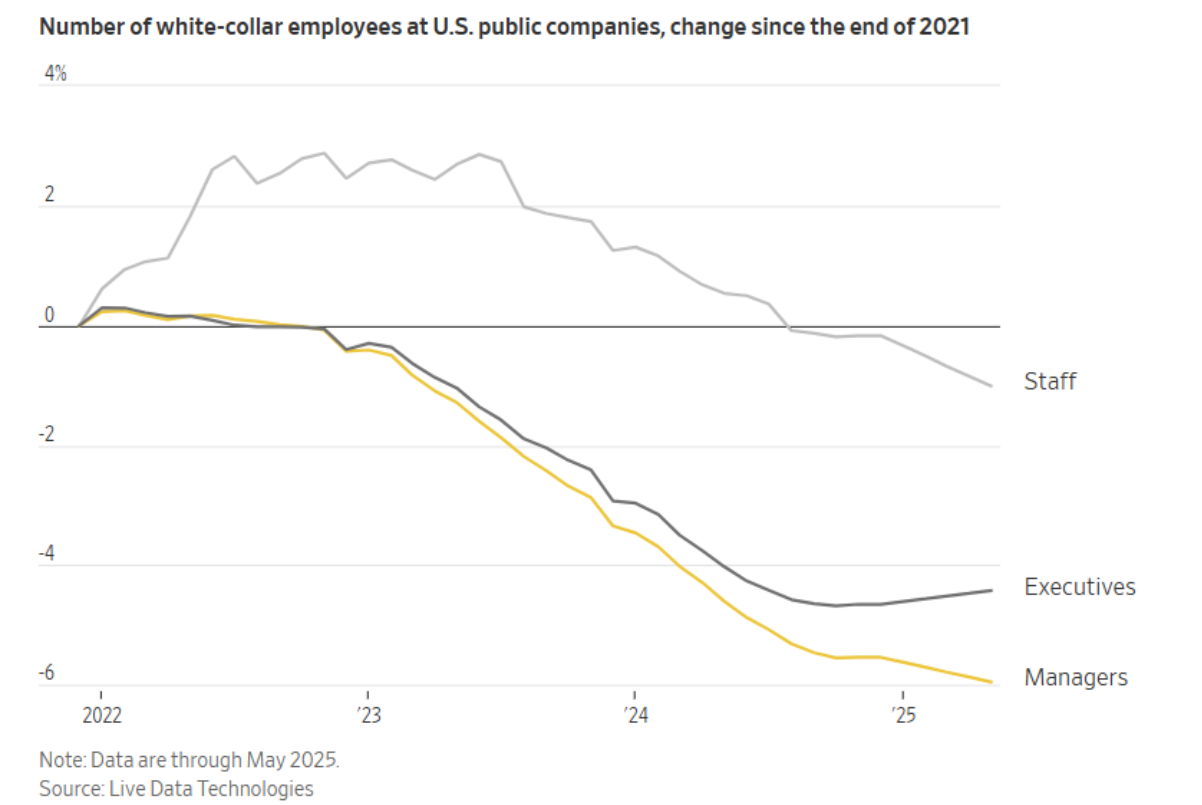


Note: Excludes companies with unavailable data.

Source: FactSet

Muhammad Shumail/WSJ

Most of the job cuts have been in “white-collar” departments, with reductions in staff, executives, and managers since the start of 2022...



S&P 500



Nasdaq



Dow Jones



In the following graph showing the countries that have the highest wealth per person, you will notice that mean wealth in the US is higher than Australia, yet median wealth is significantly higher in Australia, reflecting a greater disparity of wealth in the US.

Swiss Have Highest Mean Wealth, Luxembourg Wins on Median
Wealth per adult for 15 richest markets in the world*

Place	Average	Median
Switzerland	\$687,166	\$182,248
US	620,654	124,041
Hong Kong	601,195	222,015
Luxembourg	566,735	395,340
Australia	516,640	268,424
Denmark	481,558	216,098
Singapore	441,596	113,976
New Zealand	393,773	207,707
Netherlands	370,697	131,896
Norway	368,410	142,501
Canada	365,953	151,910
Belgium	349,404	253,539
UK	339,700	176,370
Sweden	334,391	89,430
Taiwan	312,075	114,871

Source: UBS Global Wealth Report 2025
Note: *As ranked by average wealth

Bloomberg

Market performance as at 30/6/2025

Schroders

Note all returns are in AUD not local ccy

Name		MTD	QTD	YTD	1 Year	3 Years p.a.	5 Years p.a.	10 Years p.a.
S&P / ASX 200 Accumulation Index	<i>Australian Equities</i>	1.4%	9.5%	6.4%	13.8%	13.6%	11.8%	8.9%
S&P / ASX 200 Small Ordinaries	<i>Australian Small Caps</i>	0.8%	8.6%	6.4%	12.3%	10.0%	7.4%	7.6%
MSCI World Index	<i>Global Equities</i>	2.5%	6.1%	3.7%	19.0%	20.8%	16.2%	13.0%
MSCI Emerging Markets	<i>Emerging Markets</i>	4.2%	6.7%	9.2%	18.2%	12.0%	8.3%	6.9%
ASX200 A-REIT AC	<i>Listed Property</i>	1.8%	13.7%	6.0%	14.0%	15.4%	12.4%	8.3%
Bloomberg Barclays Global Aggregate (H)	<i>Global Bonds</i>	0.9%	1.5%	2.7%	5.4%	2.3%	-0.6%	2.0%
Bloomberg AusBond Composite (0+Y) (H)	<i>Australian Bonds</i>	0.7%	2.6%	4.0%	6.8%	3.9%	-0.1%	2.3%
Australia - 90 Day Bank Bills	<i>Cash</i>	3.7%	4.1%	4.4%	4.4%	1.8%	0.1%	2.2%
Australian Dollar vs US Dollar	<i>AUD vs USD</i>	2.3%	5.3%	6.4%	-1.3%	-1.6%	-1.0%	-1.6%
Australian Equities								
Large (ASX50)		1.6%	9.5%	6.2%	13.5%	13.8%	12.2%	8.6%
Mid (ASX51 - 100)		0.8%	10.3%	7.2%	16.4%	13.5%	12.7%	11.7%
ASX 200		1.4%	9.5%	6.4%	13.8%	13.6%	11.8%	8.9%
ASX Small Ords		0.8%	8.6%	6.4%	12.3%	10.0%	7.4%	7.6%
Australian Sectors								
Consumer Discretionary		1.5%	10.1%	7.1%	20.8%	18.9%	14.2%	12.2%
Energy		9.0%	9.3%	3.6%	-8.1%	1.9%	8.5%	1.9%
Health Care		-1.0%	2.7%	-6.6%	-4.6%	3.1%	1.1%	10.5%
Information Technology		0.7%	28.4%	6.0%	24.2%	30.1%	13.7%	15.6%
Materials		-3.1%	-0.7%	0.0%	-2.3%	5.4%	9.1%	11.1%
Industrials		0.9%	7.8%	10.6%	26.2%	13.7%	11.0%	9.8%
Consumer Staples		-2.3%	4.0%	4.7%	1.3%	1.2%	2.4%	7.2%
Communication Services		1.6%	14.1%	15.8%	27.8%	14.7%	13.2%	2.6%
Utilities		-0.2%	2.0%	4.3%	4.6%	12.3%	9.4%	9.1%
Financials		4.3%	15.8%	12.8%	29.4%	23.6%	19.7%	9.2%
A-REIT		1.8%	13.7%	6.0%	14.0%	15.4%	12.4%	8.3%
Global Equity								
Global (MSCI World Index)		2.5%	6.1%	3.7%	19.0%	20.8%	16.2%	13.0%
GEM (MSCI EM)		4.2%	6.7%	9.2%	18.2%	12.0%	8.3%	6.9%
MSCI World Index Growth		3.0%	12.1%	2.6%	18.9%	25.3%	16.5%	15.4%
MSCI World Index Value		1.8%	0.5%	4.7%	18.8%	16.2%	15.5%	10.3%
MSCI World Large Cap		2.1%	6.1%	3.1%	18.0%	21.6%	16.8%	13.5%
MSCI World Small Mid		1.9%	5.6%	2.8%	18.6%	15.5%	12.8%	10.1%
S&P 500		2.6%	5.0%	-0.8%	15.1%	19.8%	16.0%	13.4%
FTSE 100		-0.4%	3.0%	10.6%	18.1%	13.1%	10.5%	3.2%
TOPIX		-0.3%	6.3%	6.8%	17.8%	17.5%	10.2%	8.2%
MSCI AC Asia		2.2%	6.5%	7.0%	17.9%	13.6%	8.7%	7.7%
MSCI Europe		0.2%	6.4%	16.8%	21.2%	19.9%	14.3%	9.2%
NASDAQ Composite Index		4.2%	12.0%	-0.5%	17.2%	25.6%	17.1%	18.0%
Bond Yields								
RBA Target Cash Rate		3.9%	4.1%	4.4%	4.4%	0.9%	0.3%	2.0%
Australia - 90 Day Bank Bills		3.7%	4.1%	4.4%	4.4%	1.8%	0.1%	2.2%
Australia Bond - 3 Year		3.4%	3.7%	3.8%	4.1%	3.3%	0.3%	2.1%
Australia Bond - 10 Year		4.3%	4.4%	4.4%	4.4%	3.7%	0.9%	3.0%
US Bond - 3 Year		3.9%	3.9%	4.3%	4.5%	3.0%	0.2%	1.0%
US Bond - 10 Year		4.4%	4.2%	4.6%	4.4%	3.0%	0.7%	2.3%

Welcome to the Australian Bureau of Statistics

Population
27,400,013

31 December 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

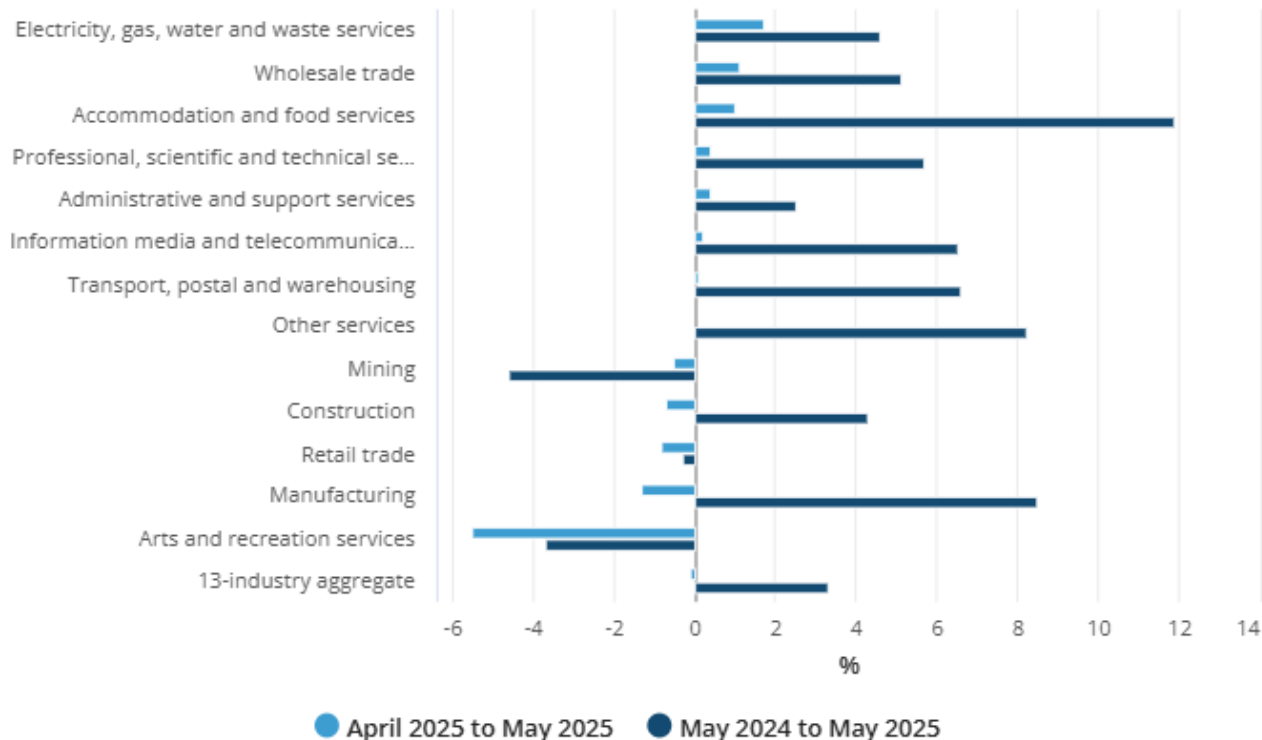
November 2024

Unemployment rate
4.1%

May 2025

In Australia, the latest report on business turnover showed mixed results across different industries. Mining saw the largest reduction year on year for May and arts and recreation services for the month of April to May.

Change in business turnover, seasonally adjusted

[Graph](#)
[Table](#)
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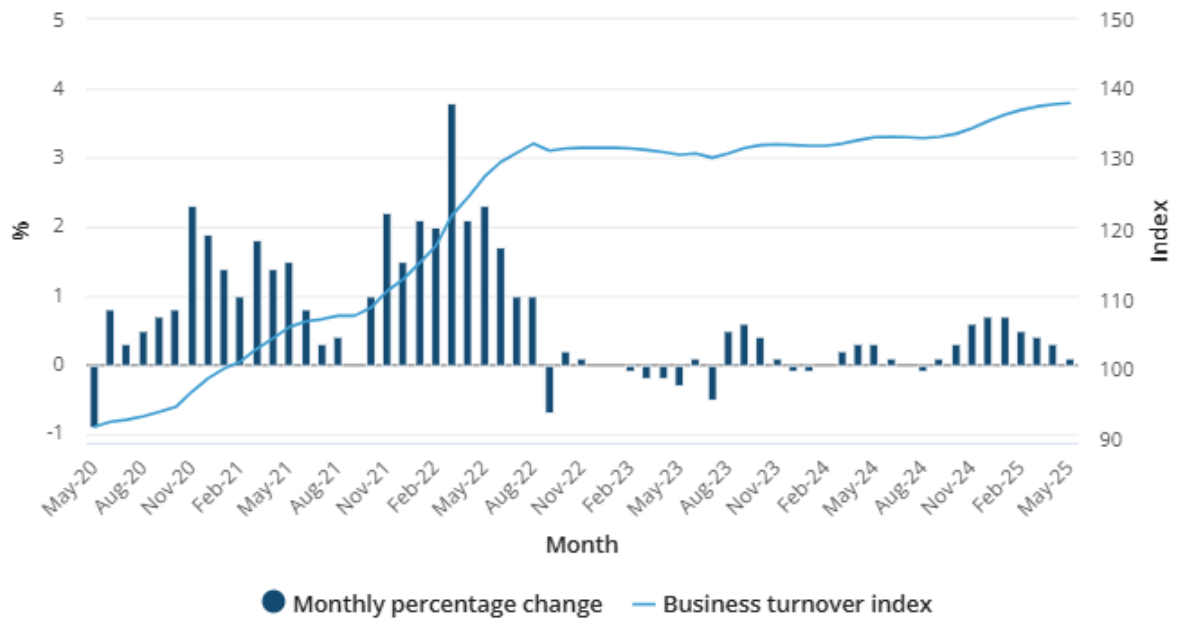
The index is still, however, moving in a positive direction, albeit slowly.

13-industry aggregate, turnover indicator, trend

Graph

Table

Download



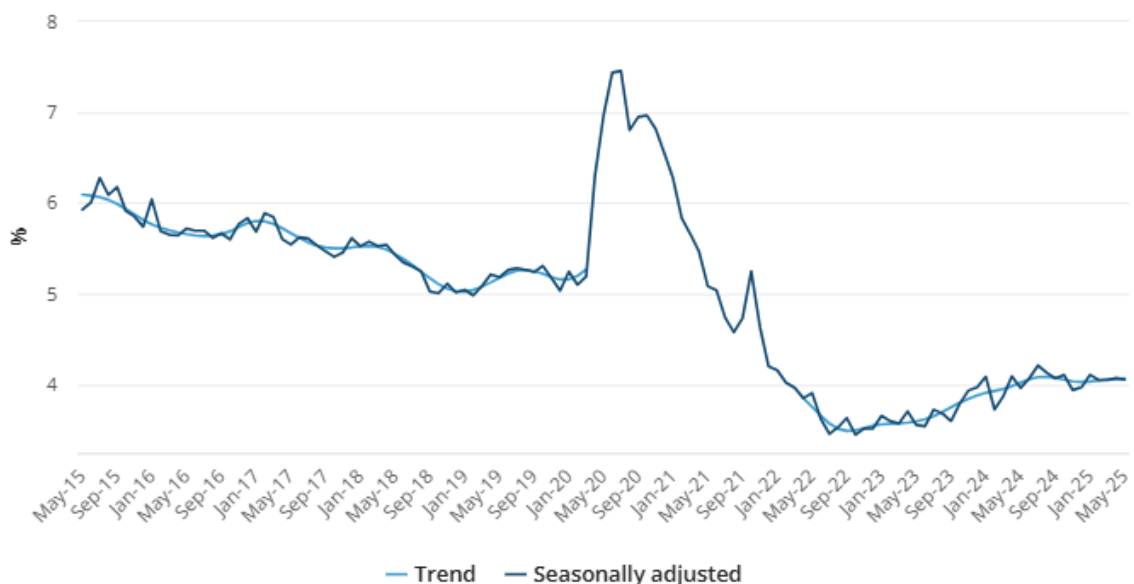
Unemployment remains at 4.1%, which may have contributed to the RBA choosing to hold on any further rate cuts at their most recent meeting.

Unemployment rate

Graph

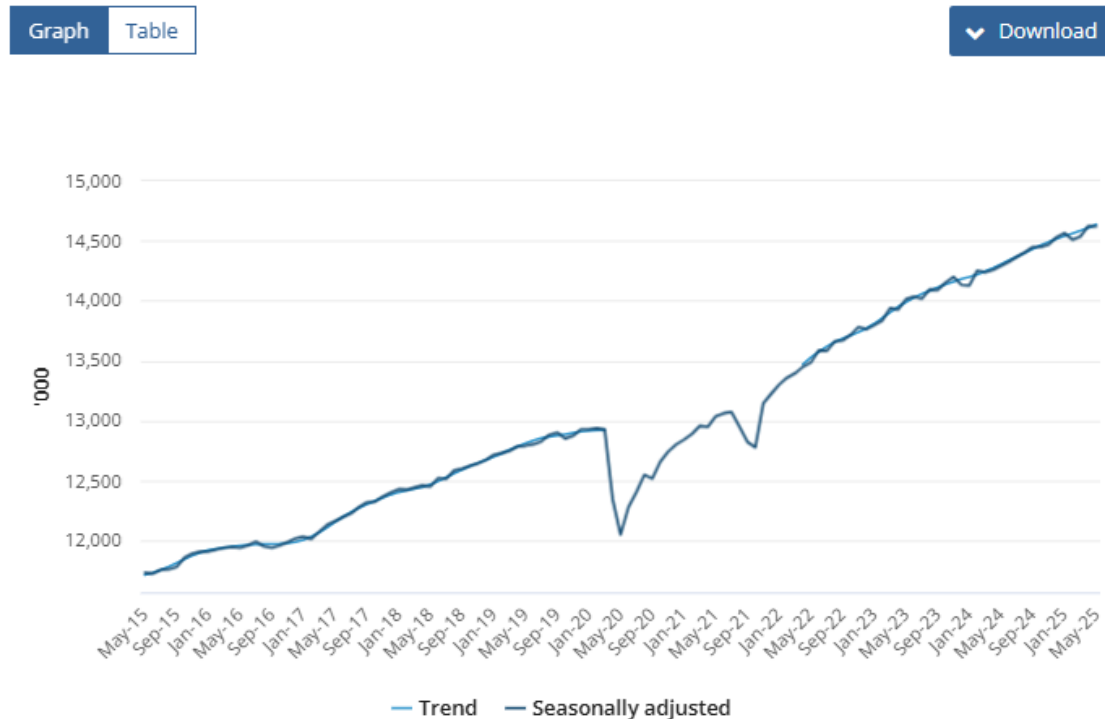
Table

Download



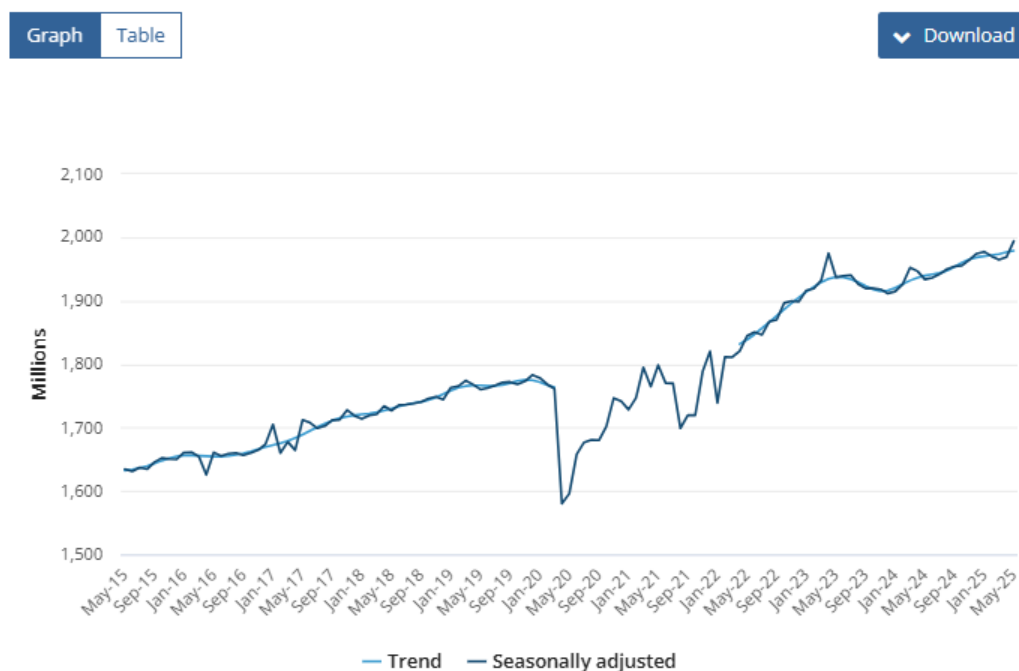
And the real number of people employed continues to grow.

Employed people



And the number of hours worked across all jobs continues to trend upwards.

Monthly hours worked in all jobs



S&P/ASX 200



All Ordinaries

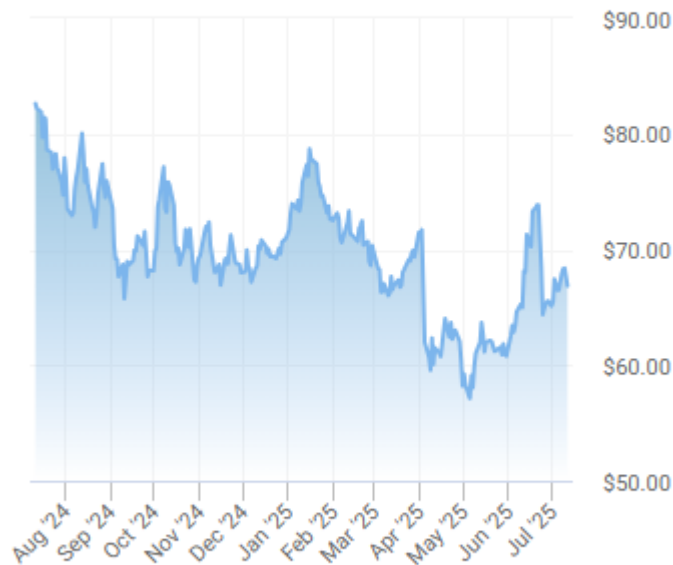


23:10 pm CDT 10/07/2025

Technicals

WTI Crude (August Contract)

66.86 +0.42%



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

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QLD clearance rate*

Updated Wed 9 Jul 11:30 PM AEST

Based on 247 auction results available

SOLD

93

Sold at auction

30

Sold prior to auction

11

Sold after auction

NOT SOLD

14

Withdrawn

99

Passed in

276 auctions scheduled

1 Australian Dollar equals

0.66 United States Dollar

11 July, 4:14 am UTC · From Morningstar · Disclaimer

1

Australian Dollar

0.66

United States Dollar

1D 5D 1M 1Y 5Y Max



Drewry freight container index is at \$2,672 down 5% for the week.

