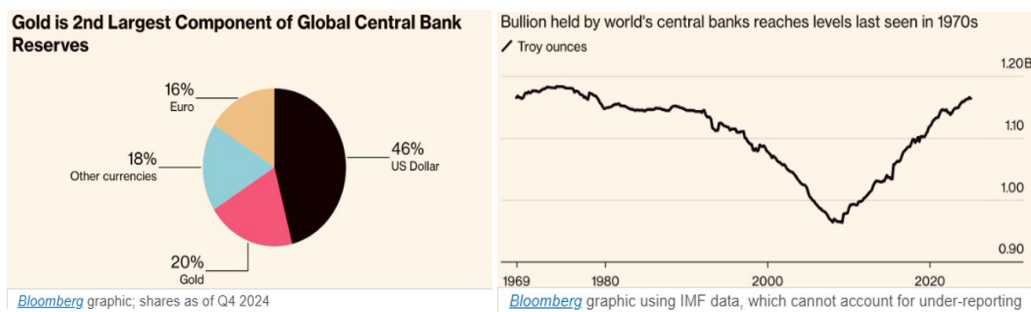




## Investment Markets Overview for the Week Ending 13th June 2025

"**Golden Age**" is defined as a period of great happiness, prosperity, and achievement, but it could also be seen as part of a new world order:

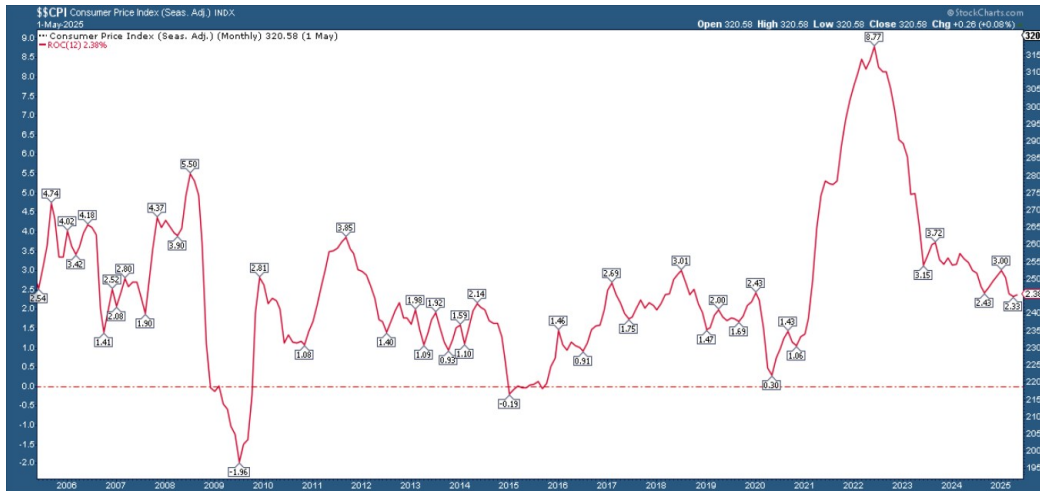


Many think of President Trump's second inaugural speech where "*the golden age of America begins right now,*" inferred a smaller Federal head count, reduction of bureaucratic red tape and a reigning back of the fiscal deficit and Federal debt. **But**, as *Trump's Big Beautiful Bill winds its way through the law makers and, if passed, adds a further \$5 trillion to the debt pile*, Gold, the metal, is in demand. Leading the charge have been the Central Banks, who ironically *accelerated their sales over the decade from 2000*, when \$Gold rocketed from \$250oz to \$2000oz. They have now doubled their purchasing rate over the past few years to 20% of reserves, after trashing the bedrock of their asset of choice of the past 50 years, ***paper money and Sovereign debt.***

Stock indices were mixed, as were the Commodities covered and the Cryptos, whilst Sovereign Bond Yields were lower. Read on for the main economic **facts** versus the **fiction**, with the charts doing the talking:

No.	Name	Price	%chg 1w	%chg 1m	%chg YTD
1	FTSE All-World Index - Asia Pacific ex Japan	663	▲0.76	▲2.17	▲9.58
2	Hang Seng (Hong Kong)	23893	▲0.421	▲1.07	▲19.1
3	Nikkei 225	37834	▲0.246	▼-0.771	▼-5.16
4	FTSE 100	8851	▲0.144	▲3.09	▲8.29
5	FTSE BRIC 50	967	▲0.129	▼-2.05	▲18.8
6	Dow Jones Global Index	668	▼-0.245	▲1.81	▲5.39
7	SSE Composite Index (Shanghai)	3377	▼-0.247	▼-0.792	▲0.753
8	S&P 500	5977	▼-0.39	▲1.43	▲1.62
9	FTSE All-World Index - Europe ex UK	381	▼-0.465	▲2.52	▲19.8
10	NASDAQ 100	21631	▼-0.601	▲1.46	▲2.94
11	Dow Jones Industrial Average	42198	▼-1.32	▲0.349	▼-0.814
12	CAC 40 (Paris)	7685	▼-1.54	▼-1.94	▲4.12
13	DAX Xetra (Germany)	23516	▼-3.24	▼-0.0459	▲18.1

US economic data was light, limited to two confidence updates plus the latest on US inflation. Small business optimism rose to 98.8 in May versus the 95.8 reading recorded for April, whilst the June preliminary University of Michigan consumer sentiment index jumped to 60.5 following May's 52.2. CPI eased to 0.1% in May, after 0.2% in the previous month and are now annualising at 2.3%, close to the Fed's 2% target:



The Dow fell by **-1.3%**, whilst the SPX & the NASDAQ 100 gave up a respective **-0.4%** and **-0.6%**.

Euro-Zone data was even lighter, limited to the April trade numbers. The surplus narrowed to €9.9BN from March's all-time high of €37.3 billion, as exports declined to the US, the UK and to China.

UK unemployment rose to 4.6% in April, whilst average wages slowed to 5.2% annualised following March's 5.5%. GDP for the same month contracted by **-0.3%**, as Chancellor Reeve's spending review, more debt, looks set to hinder growth further, with interest rates targeting 5.6% from the current 4.5%:

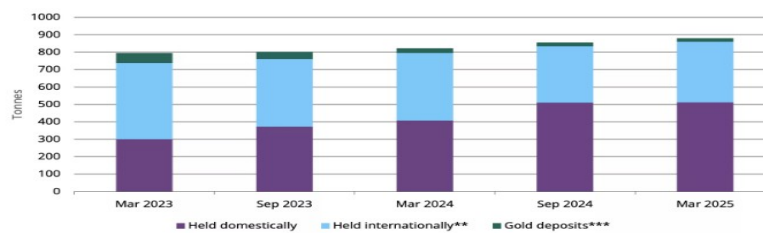


The FTSE 100 inched higher by 0.1%, whilst the French CAC and the German Dax fell by a respective **-1.5%** & **-3.2%**.

Out East, Japan bank lending rose by 2.4% annualised in May following the 2.3% rate for April, whilst the final reading of Q125 GDP was flat at 0% & -0.2% annualised.

Elsewhere, China loan growth slowed in April whilst May vehicle sales grew by 11.2% annualised following April's 9.8%. Meanwhile, CPI for the same month *DE-flated by -0.2%*. It was *the fourth straight month of consumer deflation*, highlighting challenges from ongoing trade risks with the US, sluggish domestic demand, and concerns over job stability. The Reserve Bank of India now holds almost two-thirds of gold reserves domestically:

Semi-annual RBI gold holdings broken down by storage location, tonnes\*



\*Data to 31 March 2025.

\*\*Gold held at the Bank of England and Bank of International Settlements.

\*\*\*Gold held in the form of a financial instruments on which the RBI earns interest.

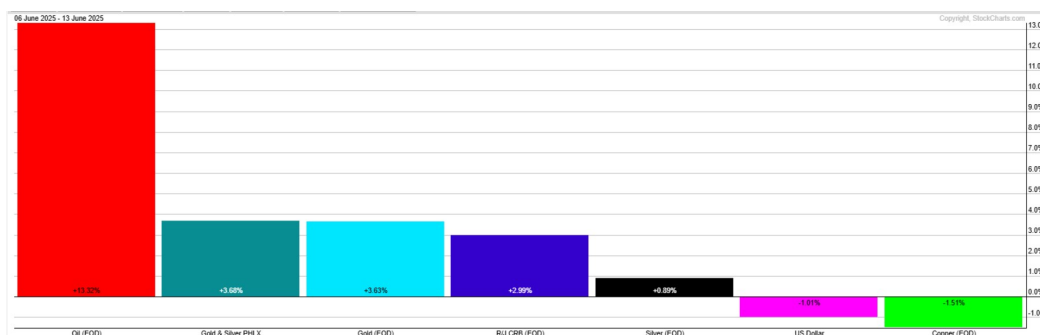
Source: Reserve Bank of India, World Gold Council

The Nikkei rose by 0.25% as the Hang Seng gained 0.4%.

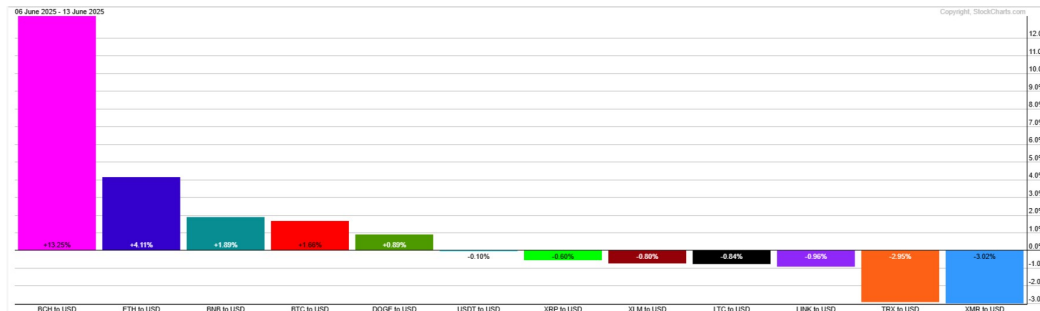
The \$US index fell by -1% to 98.2, with other losers including the South African Rand & the Russian Rouble, falling by -1.25% and -1.2%. Risers included the Norwegian krone and the Euro, higher by 1.8% and 1.4%.

Sovereign bond yields were lower, as Japan's 10-year fell by -4% to 1.4%, UK's ten gave up -2.1% at 4.55% and the German eased by -0.8% to 2.54%. Spain's 10 year yield remained at 3.16%, with Italy also unchanged at 3.49%. OZ yields fell by -2.8% at 4.16%, Portugal's 10-year remained at 3.04%, with the Greek yield easing by -0.4% to 3.26%. US 5 & 10-year yields fell, with the 5 lower by -2.5% at 4% & the 10 falling by -1.9% to 4.4%.

Commodities covered were mixed, as the \$Oil price added 13.3% to \$73.2 a barrel, the CRB gained 3% as Copper fell by -1.5%. The precious metals saw \$Gold higher by 3.6% to \$3432oz, \$Silver rise by 0.9% at \$36.3oz, whilst the XAU goldmine index rose by 3.7%:

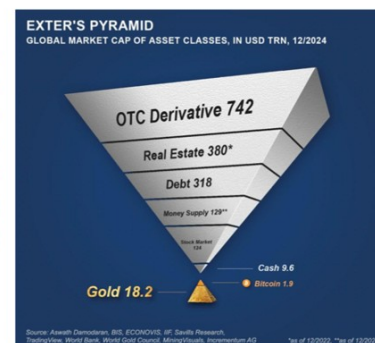


Cryptos were also mixed, bookended by BitcoinCash's 13% rise and Monero's -3% fall:



Economic data for next week includes confidence updates for the US, the UK and the Euro-Zone, plus retail sales numbers for the US, the UK and China. Japan updates on trade and China on house prices and unemployment, leaving the key economic data for the week as CPI updates for the UK, the E-Z and Japan, plus three central bank monetary policy meetings for the US, the UK and for Japan.

"*In God We Trust*" is the official motto of the United States, and it signifies the nation's reliance on God as its guiding force and source of strength. It expresses a belief in a higher power and a sense of dependence on divine guidance, particularly during times of difficulty or uncertainty:



Although Congress added the motto to coin *money* in February 1864, an alternative, "*In Gold We Trust*," would better signify a belief in gold as a reliable store of value. That is certainly evident from the excellent annual report of the same name by Incrementum AG, as can be seen here. The left hand chart shows the correlation breakdown in mid 2020 between **\$Gold** & the 20-year US Treasury Bond ETF. **The former has doubled in value since mid 2020, whilst the value of the latter has halved** as yields soared. Meanwhile, the RH chart reminds of "*Exter's Pyramid*," which concluded that paper money would only function if it could be fully redeemed in gold, otherwise a collapse in the perceived liquidity of financial assets would happen. As the missiles fly between Israel and Iran, the time of difficulty and uncertainties grow, whilst liquidity is tightening.

"2025, Credit Deflates?"

No.	Name	Price	%chg 1y ▾	%chg 3y	%chg 5y	%chg 10y	ann %chg 2/1/00
1	Gold Composite (Highest Open Interest) \$ p...	\$3433	▲47.2	▲89.6	▲98.4	▲191	▲10.2
2	Hang Seng (Hong Kong)	23893	▲33.2	▲13.4	▼-1.68	▼-12.4	▲1.36
3	DAX Xetra (Germany)	23516	▲30.6	▲76.8	▲96.8	▲110	▲4.9
4	Silver Composite (Highest Open Interest) \$ p...	\$36	▲22.8	▲72.1	▲108	▲127	▲7.78
5	IMA Sector China/Greater China	618	▲11.5	▼-14.3	▼-12.6	▲35.2	▲8.51
6	S&P 500	5977	▲10	▲60	▲96.5	▲185	▲5.67
7	NASDAQ Composite	19407	▲9.71	▲79.2	▲102	▲284	
8	IMA Sector Europe Excluding UK	2203	▲9.53	▲41.3	▲61.9	▲121	▲5.95
9	Dow Jones Industrial Average	42198	▲9.35	▲39	▲64.8	▲136	▲5.24
10	FTSE 100	8851	▲8.64	▲23.1	▲45	▲30.4	▲0.966
11	IMA Sector Standard Money Market	294	▲4.9	▲13.8	▲14	▲16.3	▲1.8
12	IMA Sector Global Emerging Markets	2235	▲4.83	▲13.3	▲26.3	▲70.9	▲6.53
13	IMA Sector Asia Pacific Excluding Japan	2561	▲4.62	▲9.18	▲29.9	▲90.8	▲7
14	Nikkei 225	37834	▼-2.53	▲42.1	▲69.6	▲85.4	▲2.76

NB: The IMA indices are £GBP adjusted whilst the 3/1/2000 date has been selected as it coincides with the date that many stock-indices peaked in "real terms."

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