

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Stocks ended higher with the **S&P 500** and **Nasdaq** touching fresh record highs a day before the July 4 holiday. **Treasury yields** and the **dollar** rose, while **gold** prices fell after stronger-than-expected payrolls data. **Oil** eased on tariff concerns and OPEC+ output boost.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	44,828.53	344.11	0.77	45,054.36	36,611.78
Nasdaq	20,601.10	207.97	1.02	20,418.31	14,784.03
S&P 500	6,279.36	51.94	0.83	6,227.60	4,835.04
Toronto	27,033.25	163.59	0.61	26,893.78	21,659.26
FTSE	8,823.20	48.51	0.55	8,908.82	7,544.83
Eurofirst	2,153.63	9.23	0.43	2,255.80	1,845.24
Nikkei	39,785.90	23.42	0.06	40,852.54	30,792.74
Hang Seng	24,069.94	-151.47	-0.63	24,874.39	18,671.49

TREASURIES	Yield	Price
10-year	4.3457	-14 /32
2-year	3.8882	-6 /32
5-year	3.9393	-10 /32
30-year	4.8613	-19 /32

FOREX	Last	% Chng
Euro/Dollar	1.1753	-0.38
Dollar/Yen	144.99	0.92
Sterling/Dollar	1.3643	0.05
Dollar/CAD	1.3556	-0.21
USD/CNH (Offshore)	7.1686	0.12

COMMODITIES (\$)	Price	Chng	% Chng
Front Month Crude /barrel	66.85	-0.60	-0.89
Spot gold (NY/oz)	3333.47	-23.61	-0.70
Copper U.S. (front month/lb)	5.09	-0.0575	-1.12

S&P 500	Price	\$ Chng	% Chng
GAINERS			
First Solar Inc	185.60	15.08	8.84
Cadence Design Systems Inc	325.31	14.36	4.62
Tapestry Inc	90.16	3.68	4.26
LOSERS			
Lennar Corp	110.28	-4.53	-3.95
DR Horton Inc	132.00	-3.61	-2.66
Pultegroup Inc	109.32	-2.02	-1.81

Coming Up - On Monday

Exxon Mobil will detail the market factors that affected its second quarter results.

From Latin America, **Chile's** central bank is expected to post June's **trade**

balance and **copper export** numbers. Additionally, **Brazil's** private think tank, the Getulio Vargas Foundation, is expected to release the **IGP-DI Inflation Index** for June.

KEY ECONOMIC EVENTS - ON MONDAY

Events	ET	Poll	Prior
Employment Trends for June	1000	--	107.49

Coming Up - Week Ahead



A container is loaded onto a cargo ship while docked at Hai Phong port in Hai Phong, Vietnam, April 16. REUTERS/Athit Perawongmetha

On Wednesday, U.S. **tariff rates** are scheduled to revert from a temporary 10% level to Trump's suspended rates of 11% to 50%.

The **Federal Open Market Committee** is expected to issue **minutes** from its meeting of June 17-18 on Wednesday. On Thursday, Federal Reserve Bank of St. Louis President **Alberto Musalem**

is slated to participate in a fireside chat on the U.S. economy and monetary policy, as part of a live broadcast forum hosted by the Official Monetary and Financial Institutions Forum (OMFIF). On the same day, Federal Reserve Bank of San Francisco President **Mary Daly** is set to speak on "The U.S. Economic Outlook and Challenges for Policymakers" before an MNI Livestreamed Connect Video Conference.

On the U.S. economic front, the weekly **jobless claims** data posted by the Labor Department is expected on Thursday. Additionally, the **National Federation of Independent Business** is anticipated to post its **Small Business Optimism Index** for June on Tuesday. On Wednesday, the Commerce Department's Census Bureau is expected to release **wholesale inventory** data for May. Separately, the Treasury Department is set to release June **budget figures** on Friday.

Conagra Brands is expected to report a fall in fourth-quarter revenue on Thursday, as demand slows for branded packaged foods and customers turn to cheaper private label brands. Investors will look out for comments regarding the impact of tariffs, pricing, product strategies, and annual forecasts.

Data from **Statistics Canada** is expected to be released on Friday, showing the **unemployment rate** and **employment change** for June. The unemployment rate in May jumped to its highest level in almost nine years, excluding the peak of the COVID-19 pandemic. On Tuesday, the Ivey **Purchasing Managers' Index** will showcase Canada's economic activity data for June, following a contraction for a second straight month in May.

Latin America's economic calendar is busy. **Brazil's** government statistics agency IBGE is expected to post **IPCA Inflation Index** figures for June on

Thursday after the inflation rate slowed more than expected in May. The agency will also likely release **retail sales** volumes and **service activity** data for May on Tuesday and Friday respectively. On Wednesday, **Mexico's** statistics agency, INEGI, is expected to release annual **inflation**, **consumer prices**, and headline consumer prices numbers for June. The agency will also release **industrial output numbers** for May on Friday. Meanwhile, **Chile's** statistics agency, INE, is scheduled to release **inflation** figures for June on Tuesday. Separately, **Argentina's** statistics agency, INDEC, is expected to release the **industrial output** figures for May compared to the same month last year in non-seasonally adjusted terms on Tuesday. On Thursday, **Peru's** central bank is scheduled to announce the **benchmark interest rate**. The rate currently stands at 4.5%. The central bank will also release the country's **trade balance** numbers for May on the same day.

ON THE RADAR

Events	ET	Poll	Prior
Tue: NFIB Business Optimism Index for June	0600	--	98.8
Consumer credit for May	1500	--	\$17.87 bln
Wed: Wholesale inventory (R) MM for May	1000	--	-0.3%
Wholesale sales MM for May	1000	--	0.1%
LSEG IPSOS PCSI for July	1100	--	53.36
Overall Comprehensive Risk for Q3	1300	--	7.92
Thu: Initial jobless claims	0830	--	233,000
Jobless claims 4-week average	0830	--	241,500
Continued jobless claims	0830	--	1.964 mln
Fri: Federal budget for June	1400	--	-\$316 bln

Market Monitor

The **S&P 500** and the **Nasdaq** closed at record highs after a stronger-than-expected U.S. jobs report, while Nvidia shares spiked and its valuation neared \$4 trillion. Traders quickly priced out chances of an interest-rate cut in July, with the odds of a 25-basis-point reduction in September at 68%, according to CME Group's Fedwatch tool, down from 74% a week ago. "We are seeing a real bout of irrational exuberance, the stock market is very biased towards optimism," said Kristina Hooper, Chief Market Strategist at Man Group in New York. "But there's some basis for it. I think there is some level of relief, because the jobs report was not what could have been". The **S&P 500** rose 0.83% to 6,279.35 and the **Nasdaq Composite** was up 1.02% at 20,601.10. The **Dow Jones Industrial Average** gained 0.77% to 44,828.53. For the week, S&P 500 climbed 1.72%, the Nasdaq advanced 1.62%, Dow up 2.3%

Treasury yields rose after data showed the world's largest economy created more jobs than expected last month, supporting the Federal Reserve's patient stance on cutting interest rates. Volume has thinned, however, following the nonfarm payrolls report, with U.S. bond markets closed on Friday for the July 4th holiday. The report showed U.S. nonfarm payrolls increased by 147,000 jobs last month after an upwardly revised 144,000 gain in May. The unemployment rate fell to 4.1% from 4.2% in May. The headline numbers, however, obscure weaker details of the report, analysts said. The **benchmark 10-year notes** were down 14/32 to yield 4.3457%. **Two-year notes** fell 6/32, yielding 3.8882%. The **30-year bonds** slipped 19/32 to yield 4.8613%.

The **dollar** rose against major currencies after data showed that the



A trader works on the floor at the New York Stock Exchange in New York City, July 1. REUTERS/Jeenah Moon

U.S. economy created more jobs than analysts estimated, signaling the Federal Reserve might take longer to cut interest rates. "It will be very difficult for the Fed to cut rates in this environment, with the labor market so strong," said Axel Merk, president and chief investment officer at Merk Hard Currency Fund in California. "The argument that Jerome Powell has made for the Fed to stay on the sidelines continues to hold." The **dollar index** rose 0.39% to 97.16. The dollar strengthened 0.92% to 144.99 versus the **Japanese yen** and was up 0.43% at 0.7953 against the **Swiss franc**. The **euro** fell 0.38% to \$1.1753.

Oil prices fell slightly as the possibility of U.S. tariffs being reinstated raised questions about demand ahead of an expected supply boost by major producers. Both contracts rose as oil producer Iran suspended cooperation with the U.N. nuclear watchdog, raising concerns that the lingering dispute over

its nuclear programme could again evolve into armed conflict.

Brent crude futures fell 0.68% to \$68.64 a barrel. **U.S. West Texas Intermediate crude** declined 0.89% to \$66.85 a barrel.

Gold fell as stronger-than-expected U.S. payroll data cemented expectations that the Federal Reserve is unlikely to cut interest rates as early as previously anticipated, denting the metal's appeal. "The better than expected jobs number means we see a lesser likelihood of a Fed rate cut earlier than currently anticipated. As a result, the dollar strengthened which is adding pressure to the gold market," said David Meger, director of metals trading at High Ridge Futures. "The key is the fact that the idea or possibility of a July rate cut is off the table." **Spot gold** was 0.70% lower at \$3,333.47 per ounce, while **U.S. gold futures** were down 0.48% to \$3,334.70 an ounce.

Top News

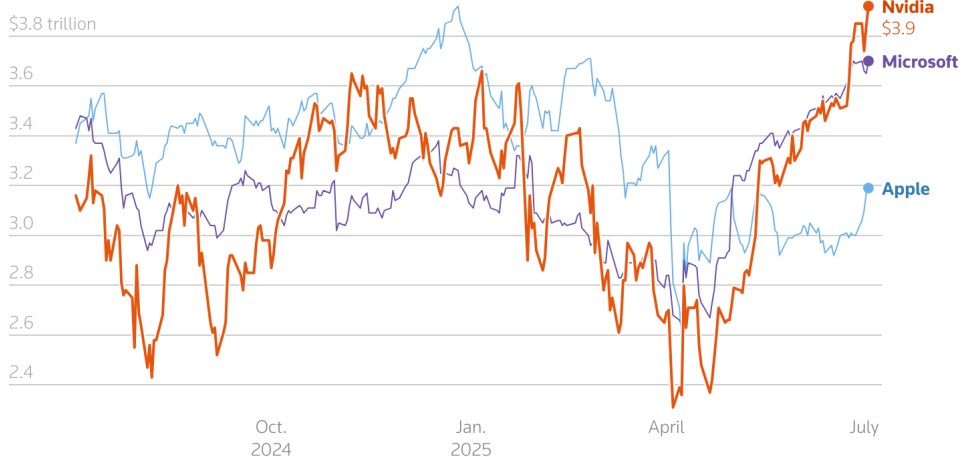
Nvidia briefly on track to become world's most valuable company ever

Nvidia hit a market value of \$3.92 trillion, briefly putting it on track to become the most valuable company in history, as Wall Street doubled down on optimism about AI. Shares of the leading designer of high-end AI chips rose as much as 2.4% to \$160.98 in morning trading, giving the company a higher market capitalization than Apple's record closing value of \$3.915 trillion on December 26, 2024. Nvidia's newest chips have made gains in training the largest artificial-intelligence models, fueling demand for products by the Santa Clara, California, company. Microsoft is currently the second-most valuable company on Wall Street. A race among Microsoft, Amazon.com, Meta Platforms, Alphabet and Tesla to build AI data centers and dominate the emerging technology has fueled insatiable demand for Nvidia's high-end processors. The stock market value of Nvidia, whose core technology was developed to power video games, has increased nearly eight-fold over the past four years, from \$500 billion in 2021 to now near \$4 trillion. Shares of the company ended 1.33% up at \$159.34.

Chip design software firms climb as US lifts curbs on China exports

Shares of Synopsys and Cadence Design Systems jumped after the U.S. lifted export curbs on chip design software to China, easing uncertainty around access to the crucial market. The restrictions, announced in late May, had essentially cut off the market that brings over 10% of revenue for the industry's major players, hitting forecasts and knocking down shares. The export resumption means both the companies will only lose one month of revenue in the current quarter, Mizuho analysts said. The easing trade tensions may also clear the path for long-awaited Chinese approval of Synopsys's \$35 billion buyout of

World's most valuable companies



Click on the chart for a detailed and interactive graphic

engineering software firm Ansys, the analysts added. "This marks a distinct warming of relations and a small ceasefire in the chips war," said Susannah Streeter, head of money and markets at Hargreaves Lansdown. Shares of Synopsys closed 4.90% higher at \$548.74, while Cadence ended 5.10% up at \$326.81.

JPMorgan names insider David Frame global CEO of private bank

JPMorgan Chase named insider David Frame as the global CEO of its private bank, effective immediately. Housed within the largest U.S. bank's broader asset and wealth management business, the private bank offers investment solutions to high-net-worth individuals and families. In the new role, Frame will lead the private bank globally, expanding his responsibilities beyond his current role as U.S. private bank CEO. JPMorgan's private banking business oversees more than \$2.9 trillion in client assets globally. Demand is growing for global private banks that can offer cross-border investment advice, access to fast-growing private markets and help navigate risks tied to conflicts and trade disputes. The bank said Frame will continue to report to

Mary Callahan Erdoes, CEO of J.P. Morgan Asset and Wealth Management, which oversees over \$6 trillion in assets. Separately, investment bank Lazard has hired Bank of America's Bill Hart to lead their financial sponsors division's coverage focused on West Coast clients, a person familiar with the move said. To read more, [click here](#)

Tesla's German car sales continue to fall in June

Tesla's sales volume in Germany fell by 60% in June, the German road traffic agency KBA said on Tuesday, although sales of battery electric vehicles rose overall. KBA said Tesla sold 1,860 cars in Germany in June, down 60% from a year earlier. The number of Teslas sold in the first half of 2025 dropped 58.2% to 8,890 units, compared with the same period last year. By contrast, the total number of newly registered electric vehicles increased by 8.6% in June, KBA added. The automaker's sales dropped for a sixth straight month in France, Sweden, Denmark and Italy, underlining the challenges the company faces after competitors with

newer models gained market share and CEO Elon Musk's popularity declined.

Polestar to make new SUV in Europe from 2028

Polestar said it would make its Polestar 7 SUV model at a Volvo Cars factory in Slovakia, as the EV maker shifts more production from China and tries to cut its exposure to heavy European and U.S. tariffs. Polestar said the two Swedish companies, both controlled by China's Geely and its owner Li Shufu, had signed a memorandum of understanding and the new model would launch in 2028. "Polestar is taking the next step in diversifying its contract manufacturing footprint by expanding it to Europe," the company said. Volvo's Kosice factory in Slovakia is scheduled to start production in 2026, with an expected annual capacity of 250,000 cars. Tariffs have impacted Polestar more than most European automakers because the majority of its cars are produced in China, either by Volvo Cars or Geely. The automaker now produces some Polestar 3 SUVs in the United States at a Volvo Cars plant in South Carolina.

Exxon returns some Stabroek acreage to Guyana, government says

An Exxon Mobil-led oil consortium has returned 2,534 square kilometers of the Stabroek Block in Guyana back to the government, the Ministry of Natural Resources said in a statement on Wednesday. The relinquishment is part of a contractual requirement for Exxon to enter the final phase of exploration of the Stabroek Block, which contains one of the world's largest oil discoveries in decades. It was originally due in October, but talks between Exxon and the government stalled the process. Exxon's final exploration phase with the Stabroek Block is due to end in 2027. The block has propelled Guyana to become one of the world's

fastest growing economies and has driven profits for Exxon, Hess and CNOOC, the three partners in the consortium that control all oil output in the country.

Thoma Bravo to buy Olo in deal valuing restaurant tech firm at \$2 billion

Buyout firm Thoma Bravo has agreed to acquire Olo in an all-cash deal valuing the company at about \$2 billion, the restaurant software provider said. Olo shareholders will receive \$10.25 per share in cash under the terms of the deal, representing a 65% premium to the stock's closing price on April 30, the last trading day prior to reports about a potential sale. New York-based Olo will become a privately held company following the deal, which the company said is expected to boost its growth by strengthening its platform and offerings. The deal with Thoma Bravo, one of the largest software-focused investment firms with about \$184 billion in assets under management, is expected to close by the end of 2025. Olo is required to pay a termination fee of \$73.7 million in cash if the deal falls through under certain circumstances. Goldman Sachs is serving as the exclusive financial adviser to Olo.

Summit, AstraZeneca in talks over \$15 billion cancer drug licensing deal, Bloomberg News reports

AstraZeneca is in talks with Summit Therapeutics to license an experimental lung-cancer drug under a deal worth as much as \$15 billion, Bloomberg News reported, citing people familiar with the matter. A deal could include an upfront payment of several billion dollars to Summit, besides milestone payments later on, Bloomberg News said. The talks could still fall apart or Summit could opt for a different partner for licensing, according to the report. The negotiations involve ivonescimab, a

drug Summit secured rights for through a separate deal worth up to \$5 billion with China-based Akeso in December 2022.

UPS to offers voluntary buyout packages to its US drivers

Parcel giant UPS said it will offer voluntary buyouts to its full-time U.S. drivers as part of the largest network reconfiguration in its history — a sweeping overhaul that includes cutting 20,000 jobs and closing 73 facilities. The Atlanta-based company had in April announced a network reconfiguration plan following a reduction in deliveries for its key customer, Amazon.com, and amid U.S. President Donald Trump's tariffs. The buyout package is in addition to any retirement benefits such as pension and healthcare, the company said in a statement. The Teamsters union, which represents about 330,000 workers at UPS, was first to announce the buyout plans, calling them an "illegal violation" of the national contract, under which UPS had committed to create 22,500 more jobs. "Our members cannot be bought off and we will not allow them to be sold out," said Sean O'Brien, general president of the union.

Ambiq Micro files for U.S. IPO as generative AI fuels chip demand

Chip designer Ambiq Micro reported a 16.1% rise in 2024 net sales in its filing for a U.S. initial public offering, as growing demand for generative AI fuels spending on semiconductor technology. Strong investor demand for AI-focused tech stocks is helping revive the IPO market, as investors warm again to high-growth tech startups they had largely avoided for nearly three years. The Austin, Texas-based company disclosed a net loss of \$39.7 million in 2024, narrowing from a loss of \$50.3 million in the previous year. Net sales climbed 16.1% to \$76.1 million in 2024. Proceeds from the IPO will be used for general corporate



Flowers and tributes are left outside Liverpool's Anfield Stadium after Liverpool's Portuguese soccer player Diogo Jota died in a car crash near Zamora, Spain, in Liverpool, Britain, July 3. REUTERS/Temilade Adelaja

Insight and Analysis

SPECIAL REPORT-How China's new auto giants left GM, VW and Tesla in the dust

China's rising auto giants are racing to expand globally, with Chery as the leading exporter. EV giant BYD poses a bigger long-term competitive threat, industry executives say. China's emerging automotive dominance owes largely to a singular manufacturing achievement - slashing vehicle-development time by more than half, to as little as 18 months for an all-new or redesigned model. This account of how Chinese automakers outmaneuvered global rivals is based on interviews with more than 40 people, including current

and former executives, employees and investors at five Chinese and seven global automakers and more than a dozen industry experts.

COLUMN-Gold and its miners may enjoy a 'critical mineral' upgrade: Russell

Is gold the next metal to be added to the list of "critical minerals"? Gold is not a vital component of advanced manufacturing like other critical minerals such as rare earths, lithium and copper. But the precious metal appears to be undergoing a subtle shift in how it is viewed by governments and investors. Since countries moved away

from the gold standard by the early 1970s, gold has largely been viewed as a relatively niche part of investment portfolios and government reserves. Gold was something that was added to portfolios as an inflation hedge or during times of heightened geopolitical tensions. In some ways, the role of gold in both central bank and investment portfolios was overtaken by bonds, with U.S. Treasuries becoming the most important of these assets. But the return of Donald Trump is leading to a global reassessment of the relative safety of U.S. assets, the independence of the Fed and the likely worsening of the U.S. fiscal position.

CANADA

Market Monitor

Canada's main stock index ended higher as investors assessed economic data from Canada and the United States, while a U.S.-Vietnam trade pact renewed optimism about global trade agreements ahead of the July 9 tariff deadline.

The **S&P/TSX composite index**

gained 0.56% to 27,020.46 points.

Technology stocks rose 1.39% to 300.29.

The **U.S. dollar** was down 0.21% against its Canadian counterpart at C\$1.3556.

TSE's S&P/TSX composite	Price	C\$ Chng	% Chng
GAINERS			
Cargojet Inc	110.58	10.13	10.08
Tilray Brands Inc	0.72	0.05	7.46
CES Energy Solutions Corp	7.05	0.29	4.29
TerraVest Industries Inc	170.40	6.48	3.95
Bombardier Inc	149.50	5.51	3.83
LOSERS			
Ero Copper Corp	22.82	-0.89	-3.75
Nuvista Energy Ltd	14.39	-0.45	-3.03
Ivanhoe Mines Ltd	10.35	-0.30	-2.82
Boyd Group Services Inc	216.28	-6.12	-2.75
Birchcliff Energy Ltd	7.03	-0.19	-2.57

Top News

Canada's trade deficit narrows in May, US exports drop to lowest since pandemic

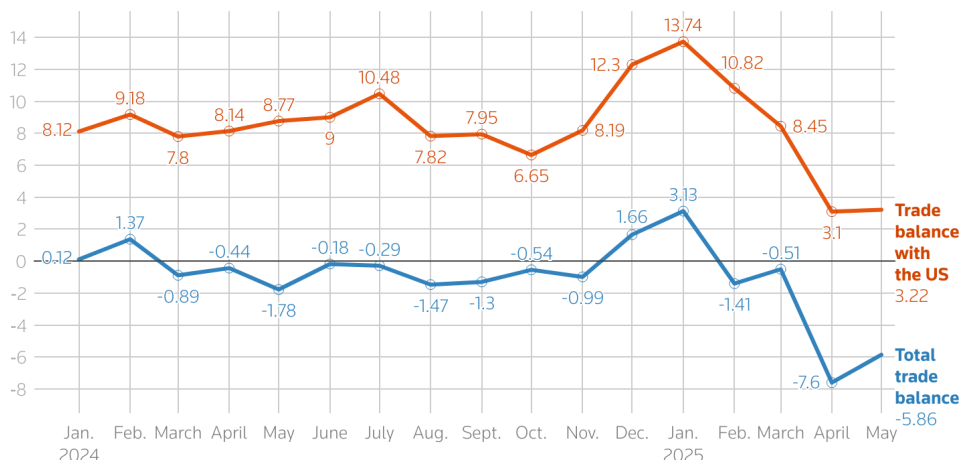
Canada's trade deficit in May narrowed after a record-breaking deficit in April as total exports rose and imports fell even as the impact of U.S. tariffs dented shipments south of the border, data showed. The trade deficit in May met expectations at C\$5.9 billion, down from a downwardly revised C\$7.6 billion in the prior month, Statistics Canada said. Exports increased by 1.1% on a monthly basis after an 11% slump in April. This was the first increase in exports in four months, Statscan said, and was driven by record exports to the rest of the world, excluding the U.S. The share of the exports and imports with the U.S. dropped to their lowest levels in May, barring the pandemic year of 2020. Exports to the U.S., Canada's biggest trading partner, fell for the fourth month in a row with May registering a drop of 0.9%.

Gold Reserve's \$7.38 billion bid recommended as winner of Citgo parent auction

A \$7.38 billion bid by a unit of Toronto-listed miner Gold Reserve was named preliminary winner of an auction of shares in the parent of Venezuela-owned refiner Citgo Petroleum, organized by a U.S. court to pay

Canada's trade deficit narrows in April but stays at near record highs

Canada's trade surplus with the U.S. keeps shrinking, deficit narrows with rest of the world



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creditors for debt defaults and expropriations in the country. If the offer is approved by the court, proceeds from the auction of PDV Holding would be enough to compensate 11 of the 15 creditors fighting in U.S. courts since 2017 to recover billions of dollars after Venezuela's wave of nationalizations, an officer overseeing the auction said in a filing.

Ground stops lifted at Ottawa and Montreal airports after threat reported

Ground stops were lifted at

international airports in Ottawa and Montreal after a bomb threat briefly halted departing flights, Transport Canada and the U.S. Federal Aviation Administration said. The Ottawa Macdonald-Cartier International Airport said on X that the security incident had been resolved and operations were returning to normal. Officials at Montreal's Pierre Elliott Trudeau International airport were not immediately available for comment. Air traffic control manager NAV Canada said in a statement that it was made aware of bomb threats affecting several of its facilities.

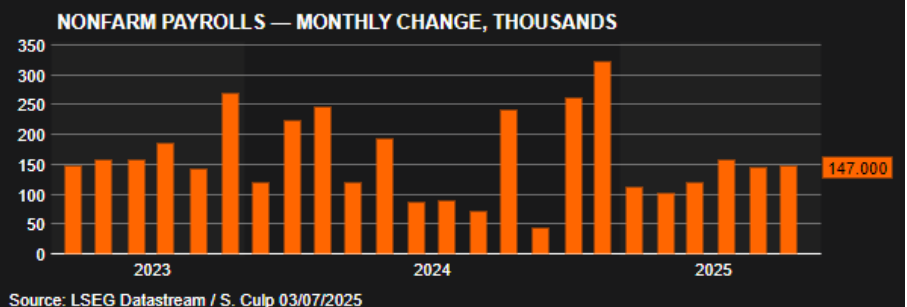
WEALTH NEWS

ECONOMIC DATA

Solid US job growth masks weakness underneath

U.S. job growth was unexpectedly solid in June, but nearly half of the increase in nonfarm payrolls came from the government sector, with private sector gains slowing considerably as industries like manufacturing and retail grappled with the Trump administration's aggressive tariffs on imports. Nonfarm payrolls increased by 147,000 jobs last month after an upwardly revised 144,000 advance in May, the Labor Department's Bureau of Labor Statistics said.

U.S. non-farm payrolls



Click on the chart for a detailed graphic

RATE TRAJECTORY

With job market far from crumbling, Fed to stay on hold

A U.S. job market that looks far from collapse despite some strain from higher tariffs and the Trump administration's immigration crackdown is adding to the case for the Federal Reserve to keep short-term borrowing costs where they are for longer.

GRAPHIC

Investors mobilise for weeks of market whiplash from wild-card events

Big investors are mobilising to trade through weeks packed with wild-card events that may shatter the calm in stock markets and drive big swings for assets they see as exposed to both positive or negative surprises, from gold to corporate credit.

SURVEY

Fed independence, US rule of law at risk, UBS reserve managers survey says

Two in three reserve managers fear Federal Reserve independence is at risk and nearly half think the rule of law in the United States may deteriorate enough to influence their asset allocation significantly, UBS Asset Management said in a survey.

STABLECOIN GROWTH

J.P.Morgan wary of stablecoin's trillion-dollar growth bets, cuts them by half

J.P.Morgan forecast stablecoin growth will only reach \$500 billion by 2028, calling trillion-dollar projections "far too optimistic", as there was little evidence of mainstream adoption of the dollar-pegged cryptocurrency token.

CONCERNS RAISED

Amundi warns US stablecoin policy could destabilise global payments system

Europe's largest asset manager has raised concerns that a boom in dollar-backed stablecoins in the wake of the United States' GENIUS Act could cause a major shift in money flows that destabilises the global payment system.

COLUMN

Metals smelting is the West's next critical minerals crisis: Andy Home

Global supply chains are already reeling from the impact of China's rare earth export controls, but an even bigger critical minerals threat is looming.



People watch a firefighting helicopter flying near a wildfire burning near Ierapetra, on the island of Crete, Greece, July 3. REUTERS/Stefanos Rapanis

(The Day Ahead - U.S. edition will not be published on Friday, July 4, on account of the Independence Day holiday)

The Day Ahead - North America is compiled by Ananya Roy and Archak Sengupta in Bengaluru.

For questions or comments about this report, email us at: TheDay.Ahead@thomsonreuters.com.

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