

Monthly Market Snapshot

June 2025

The Monthly Market Snapshot publication provides commentary on the global economy and the performance of financial markets.

Market commentary

Despite various headwinds, resilient economic activity helped to underpin investor sentiment in June 2025. The month was shaped by an ongoing focus on central bank activities, with ambiguity around interest rate trajectories keeping markets on edge, as well as high-profile global summits such as the G7 and NATO gatherings. The partial improvement in US-China trade relations, helped boost risk assets, while the intensification of conflict in the Middle East between Iran and Israel, spurred a temporary flight to safe-haven assets and a spike in oil prices.

Global equities posted robust gains, with the US market delivering particularly strong returns. The S&P 500 reached new highs, supported by upbeat corporate earnings, and the easing of trade tensions. Technology stocks significantly outperformed, reflecting ongoing enthusiasm for AI-driven growth. In contrast, European equities were flat or slightly negative over the month, as concerns around tariffs and the Middle East conflict weighed on returns. Japanese equities were positive, supported by a weaker Yen, although concerns about trade-related headwinds and a recent downgrade to GDP growth forecasts tempered momentum.

Australian equities recorded a moderate positive return, underpinned by a slight uptick in forward earnings. The market was supported by resilient domestic economic conditions and expectations of future rate cuts by the Reserve Bank of Australia (RBA). However, the Resource sector underperformed, due to concerns over demand dynamics that is contributing to softness in iron ore and coal prices.

Chinese stocks posted solid gains, helped by the improvement in US-China trade conflict and reflecting some stabilisation in economic indicators, amid anticipation for increased policy support from authorities. Broader emerging markets equities rebounded strongly during the month, benefiting from improved risk sentiment around trade policy.

Government and corporate bonds delivered positive returns globally. Yields fell across most major economies, with the general ongoing easing of monetary policy. Although the US Federal Reserve once again kept rates on hold, it signalled the potential for future rate cuts, citing progress in inflation control. The European Central Bank (ECB) continued to cut interest rates but signalled that it would likely soon be reaching the end of its cutting cycle.

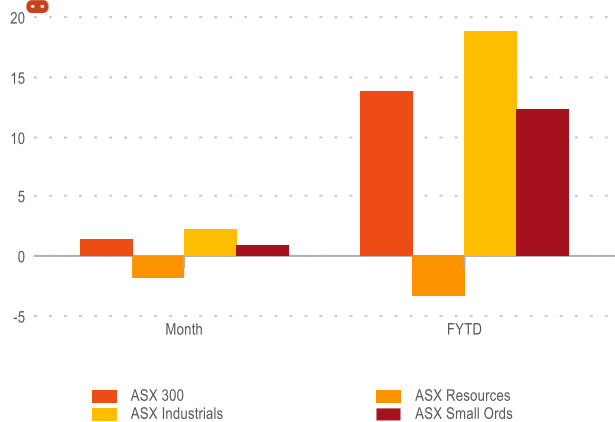
Currency markets reflected the shifting monetary policy landscape and geopolitical backdrop. The US dollar briefly rose in response to the intensification of conflict in the Middle East, but weakened overall in the month, as expectations for Fed rate cuts grew. The Euro strengthened following the ECB's rate cut, while the Yen remained under pressure as the BoJ refrained from taking further steps towards the normalisation of monetary policy. The Australian dollar followed global trends, appreciating against the US dollar and Yen, but depreciating against the Euro.

Listed property and infrastructure assets produced positive returns, benefitting from the decline in bond yields and improved risk sentiment. However, gains were more subdued than in the broad global equity index.

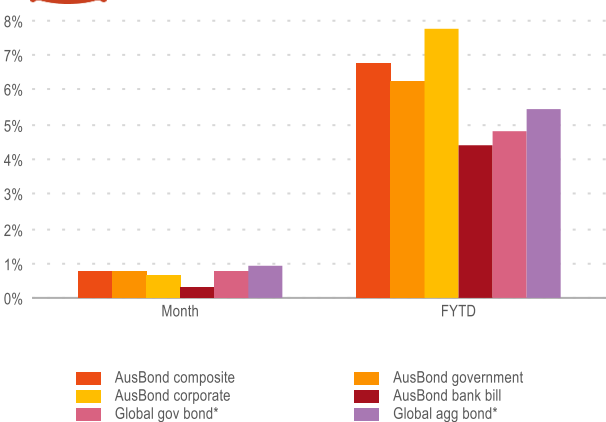
June 2025



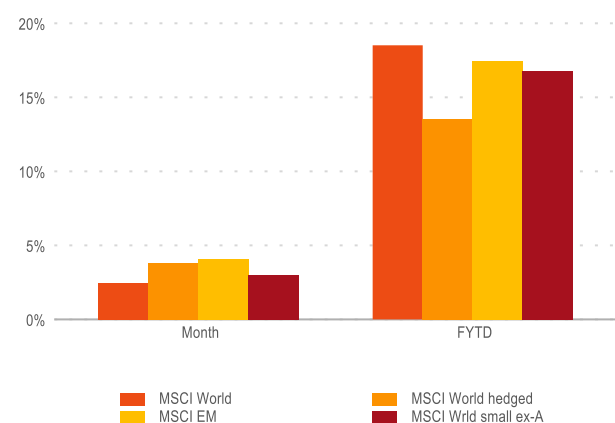
Australian equities



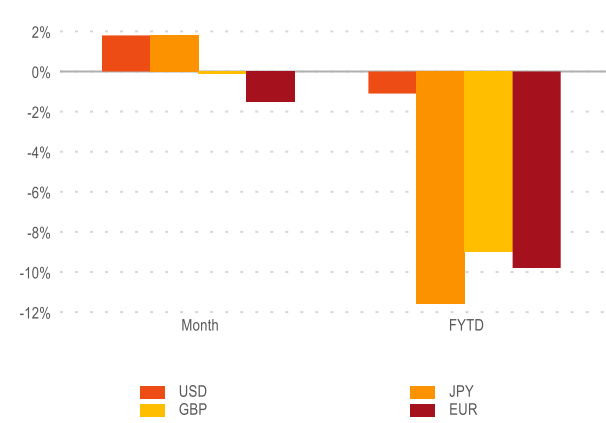
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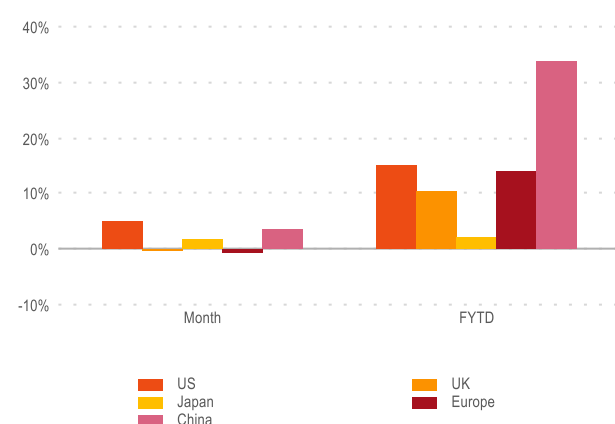
International equities (\$A)



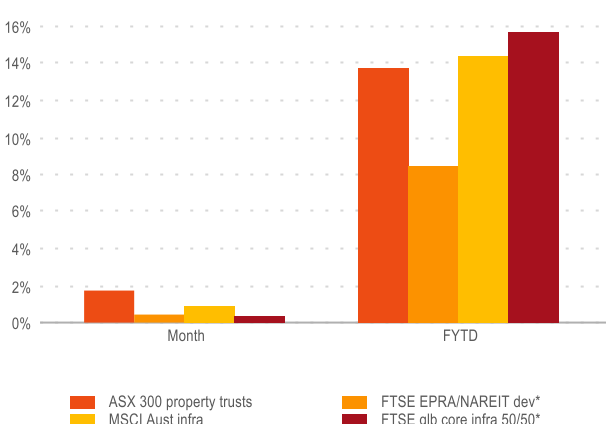
Australian dollar



International equities



Real assets





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