



Weekly overview of short news

- The price of gold rose from \$3,337.15 to \$3,355.59 per ounce this week, mostly due to the announcement of introduction of the U.S. tariffs on the E.U., Canada and Mexico as of 1 August.
- The price of oil rose this week from \$68.84 to \$72.07 per barrel as a result of concern over the U.S. tariffs.
- The final data confirmed that the harmonized index of consumer prices (HICP) of Germany for June increased by 2.0% on the annual level, and 0.1% on the monthly level, which is in line with the preliminary data and expectations of economists.
- The interest rate was kept at the existing level at the Central Bank of Australia meeting, held on 8 July, despite expectations that it will be reduced. The RBA Governor, Michelle Bullock, said that this decision is more about the timing of the next move than its direction, and that a cycle of easing interest rates will follow if inflation remains at the expected level.



The EUR/USD exchange rate fell in this reporting week, due to the strengthening of the dollar as a result of the increasing tensions over tariffs. At the very beginning of the week, President Trump published the post about additional tariffs on countries that support anti-American BRICS policies. It was in response to criticism of the U.S. tariffs policy by member states at their weekend summit. Trump soon told Japan and South Korea that they would begin paying 25% tariffs as of 1 August, starting to carry out his threat to impose tariffs on partners who do not have trade agreements with the U.S. The deadline for the introduction of tariffs was prolonged later in the week from 9 July to 1 August, which gives the U.S. trading partners additional time to reach an agreement, otherwise the tariff rates determined by the U.S. President will take effect from that date. Uncertainty regarding trade relations between the U.S. and the E.U. put pressure on the euro for the rest of the week. The dollar also strengthened this week due to lower expectations that the Fed will reduce the interest rate, owing to better-than-expected data from the labour market, and the rise in yields on the U.S. government bonds also had impact on the growth in demand for this currency.



The EUR/GBP exchange rate rose this week, although it fluctuated during most of the time. Concerns about the fiscal credibility of the British economy increased the caution of investors, which had impact on the rise in the exchange rate. The Office for Budget Responsibility has warned that Britain's debt growth will soon become unsustainable. Public debt is approaching the level of 100% of GDP, and without reforms it could rise to over 270% in the next 50 years. On the other hand, the weakening of the exchange rate during the week was caused by the increased optimism that the U.K. will reach an agreement with the U.S. to remove tariffs on British steel, but also by uncertainty related to reaching an agreement between the U.S. and the E.U. There was a significant rise in the exchange rate on Friday, as sterling came under pressure following the announcement that the U.K. economy weakened again in May.



The EUR/JPY exchange rate rose steadily during the first two days of the week, due to concerns that trade tariffs will further complicate the Bank of Japan's path to normalizing monetary policy. Trump reiterated his plan to impose 25% tariffs on all goods coming from Japan. Japan, which is largely dependent on exports, stands out as the U.S. trade partner that is the furthest away from reaching an agreement, therefore the yen has been under pressure. The exchange rate weakened slightly over the next two days. The BoJ said the current impacts of the U.S. tariffs on Japanese exports and manufacturing remain limited, but pointed to corporate concerns about weakening global demand. Despite the announcement, concerns about their potential impact on the economy prevailed in the market, therefore traders lowered expectations for a BoJ interest rate increase this year, causing the yen to weaken.

Exchange rates of the most important currencies

	7-Jul-2025 ¹	11-Jul-2025 ²	% Change
EUR/USD	1.1778	1.1689	-0.76
EUR/GBP	0.86309	0.86644	0.39
EUR/JPY	170.17	172.30	1.25
EUR/AUD	1.79669	1.77664	-1.12
EUR/CHF	0.93525	0.93142	-0.41
USD/JPY	144.47	147.43	2.05
GBP/USD	1.3650	1.3493	-1.15

Table 2 - Overview of the leading central banks' interest rates

Central Bank	Reference interest rate	Reference interest rate level	Next meeting
European Central Bank (ECB)	ECB main refinancing rate	2.15%	24-Jul-2025
Federal Reserves (Fed)	Federal Funds Target Rate	4.50%	30-Jul-2025
Bank of Japan (BoJ)	Overnight Call Rate	0.50%	31-Jul-2025
Bank of England (BoE)	Official Bank Rate	4.25%	7-Aug-2025
Swiss National Bank (SNB)	Libor Target Rate	0.00%	25-Sep-2025
Bank of Canada (BoC)	Target Overnight Rate	2.75%	30-Jul-2025
Reserve Bank of Australia (RBA)	Cash Rate Target	3.85%	12-Aug-2025

Table 3 - ESTR and Euribor

	7-Jul-2025 ¹	11-Jul-2025. ²	Change in basis points
ESTR	1.9200	1.9230	0.3
Euribor 1W	1.936	1.897	-3.9
Euribor 1M	1.874	1.913	3.9
Euribor 3M	1.979	2.026	4.7
Euribor 6M	2.026	2.072	4.6
Euribor 12M	2.066	2.089	2.3

¹ Opening market value on Monday

² Closing market value on Friday

Table 4 - Economic Indicators (7 - 11 July 2025)

Country	Indicator	Period	Expected value	Current value	Previous value
Euro area	Sentix Investor Confidence A monthly indicator that measures investor confidence in the European economy, and is based on a survey of private and institutional investors. This index reflects how investors perceive the current state of the euro area economy and what are their expectations for the next six months.	July	1.0	4.5	0.2
Germany	Industrial Production It measures the production of plants in the following branches of industry: mining and quarrying, manufacturing industry and public utilities (electricity, gas and water supply). Exports Products and services produced in Germany, sold or pending for sale outside of Germany. Imports Germany's demand for foreign products. CPI EU Harmonised It estimates the changes in the cost of living, by measuring changes in the price level of market basket of consumer goods and services purchased by an average household. It is calculated using the same methodology in all countries to ensure data comparability.	May MoM% YoY% May MoM% May MoM% June Final data MoM% YoY%	-0.2% -0.3% -0.5% -1.7% 0.1% 2.0%	1.2% 1.0% -1.4% -3.8% 0.1% 2.0%	-1.6% -2.1% -1.6% 2.2% 0.1% 2.0%
USA	NY Fed 1-Yr Inflation Expectations Inflation expectations measure the percentage by which consumers expect the price of products and services to change over the next 12 months. Initial Jobless Claims It measures the number of people filing for unemployment benefits for the first time.	June 5 July k=1000	3.13% 235K	3.02% 227K	3.20% 232K
Great Britain	Monthly GDP Measures the final market value of all products and services produced within the country. GDP is the most commonly used indicator of economic activity. Industrial production It measures the production of plants in the following branches of industry: mining and quarrying, manufacturing industry and public utilities (electricity, gas and water supply).	May MoM% May MoM% YoY%	0.1% -0.1% 0.2%	-0.1% -0.9% -0.3%	-0.3% -0.6% 0.3%

EUROPEAN GOVERNMENT BONDS MARKET



The yield on 10-year German bonds rose from 2.58% to 2.72% this week. The yield on German bonds rose at the beginning of the week as the auctions of 5-year German government bonds and 7-year E.U. bonds were expected to be held. The yield did not record a major change over the next two days, only to grow on Thursday and Friday as expectations regarding the reduction of interest rates by the ECB were reduced and as Trump announced tariffs for the E.U., Mexico and Canada with effect as of 1 August.

U.S. GOVERNMENT BONDS MARKET



The yield on 10-year U.S. government bonds rose from 4.32% to 4.40% this week. The yield on the U.S. bonds rose during the first two days of this week. The increase in yields occurred as better-than-expected employment data in the USA was released during the previous week. Sharp drop in the trend of these yields occurred in mid-week. The drop came after the auction of 10-year U.S. government bonds saw strong demand, which eased concerns that investors would pull back from financing the growing U.S. deficit. USD 39 billion of 10-year bonds were issued at the auction, and a yield of 4.362% was recorded. The yield has risen again over the last two days of the week. This time, the rise in yield came as Donald Trump announced new tariffs (50% for copper as of 1 August, as well as tariffs on the E.U., Canada and Mexico).

GOLD



The price of gold rose this week from \$3,337.15 to \$3,355.59 per ounce. At the very beginning of the week, the price of gold rose due to growing trade tensions. However, strengthening of the dollar against a basket of currencies caused the price of gold to drop the following day. As of mid-week, until the very end of this period, the price of gold rose constantly. Trump's announcement that he would introduce a 50% tariff on goods from Brazil caused the price of gold to rise. At the end of the week, the price rose due to the growth in demand for safe assets, and following Trump's announcement of the introduction of tariffs for the E.U., Mexico and Canada.

OIL



The price of oil increased this week from \$68.84 to \$72.07 per barrel. At the very beginning of this week, the price of oil rose due to concerns about the U.S. tariffs. The price of this energy generating product rose slightly over the next two days due to the Houthi attack on merchant ships in the Red Sea. The only drop in oil prices this week came on Thursday, when news broke that OPEC+ was considering pausing further production increases from October, suggesting the market may not be able to absorb more oil. The price of oil rose sharply on the last day of the week due to the announcement that the USA will introduce tariffs on the E.U., Mexico and Canada as of 1 August.

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