

***The Q2 earnings season began this week with a tenth of S&P 500 firms releasing results and adding support for new all-time high in US equities. Rumors regarding Powell's fate as Fed President landmarked this week also, adding some volatility to bond markets along with some kind of uneasy inflation data.***

### **Are tariffs undermining the Fed's efforts to control inflation?**

June's inflation data offered a mixed picture to markets and policymakers, showing cooling in some areas but rising pressures elsewhere due to escalating tariffs. The consumer price index (CPI) rose 0.3% month-on-month, lifting the annual rate to 2.7%, its highest level in four months. The core CPI, which excludes food and energy, rose 0.2% month-on-month in June and 2.9% year-on-year. However, tariff-driven inflation is emerging in import-heavy durable goods, particularly electronics, appliances, and furniture. With businesses depleting pre-tariff inventories, higher input costs are beginning to pass through to consumers. This trend is expected to intensify in the coming months. The Federal Reserve's preferred inflation gauge, the core personal consumption expenditures (PCE) is tracking at 2.7% year-on-year. If incoming data confirms a sustained upward trend, the case for early or aggressive rate cuts may weaken. Market-based inflation expectations are beginning to shift in response. The 2-year US inflation swap rose to 3.02%, and the 5-year hit 2.71%, both marking their highest levels since March 2023, signaling broadening inflation concerns. The producer price index (PPI) was flat in June, below the expected 0.2% gain, with the annual rate easing to 2.3%. The core PPI remained unchanged and decelerated to 2.6% year-on-year, suggesting that input cost pressures remain moderate.

The Federal Reserve's July Beige Book reported modest to strong cost increases across all twelve districts, primarily linked to tariffs on raw materials in manufacturing and construction. These supply-side developments raise uncertainty ahead of the Fed's upcoming decisions. Political pressure is adding another layer of complexity, with President Trump calling for rate cuts of up to 300 basis points. He argues that each percentage point not cut from interest rates, costs the government \$360 billion annually in refinancing the \$36 trillion debt. This raises concerns about the Federal Reserve's independence, especially if inflation continues to trend higher. New tariffs scheduled for August 1<sup>st</sup> signal broader inflationary pressures ahead. The US intensifies trade war with threat of 30% tariffs on the EU and Mexico, 10–15% on over 150 other countries, and up to 50% on selected goods. This suggests a larger inflationary impact than initially signaled. The July and August inflation prints will be critical in determining whether the Fed stays on course or is forced to recalibrate. Based on the above, our base case scenario suggests at least one rate cut in 2025 under the assumption that Powell holds his Chair.

### **The week ahead**

In the **Eurozone**, the week starts on Wednesday with the July consumer confidence index. On Thursday we expect the July PMIs, along with the ECB's rate decision.

In the **US**, the week starts with the June leading index and Tuesday comes with the Richmond Fed manufacturing index. Wednesday comes with MBA mortgage applications and existing home sales data. On Thursday initial jobless claims will be released along with PMIs. The week ends with the June durable goods order.

In the **UK**, the July PMIs will be released on Thursday and June retail sales on Friday.

In **China**, the week kicks off on Monday with the 1 and 5-year loan prime rate decision.

In **Japan**, the July PMIs will be disclosed on Thursday and the leading index along with the coincidence on Friday.

### **“Quote of the Week”**

Fed Governor C. Waller said:

"With inflation near target and the upside risks to inflation limited, we should not wait until the labor market deteriorates before we cut the policy rate. I believe it makes sense to cut the FOMC's policy rate by 25 basis points two weeks from now. "

## What's behind Bitcoin's fresh all-time high?

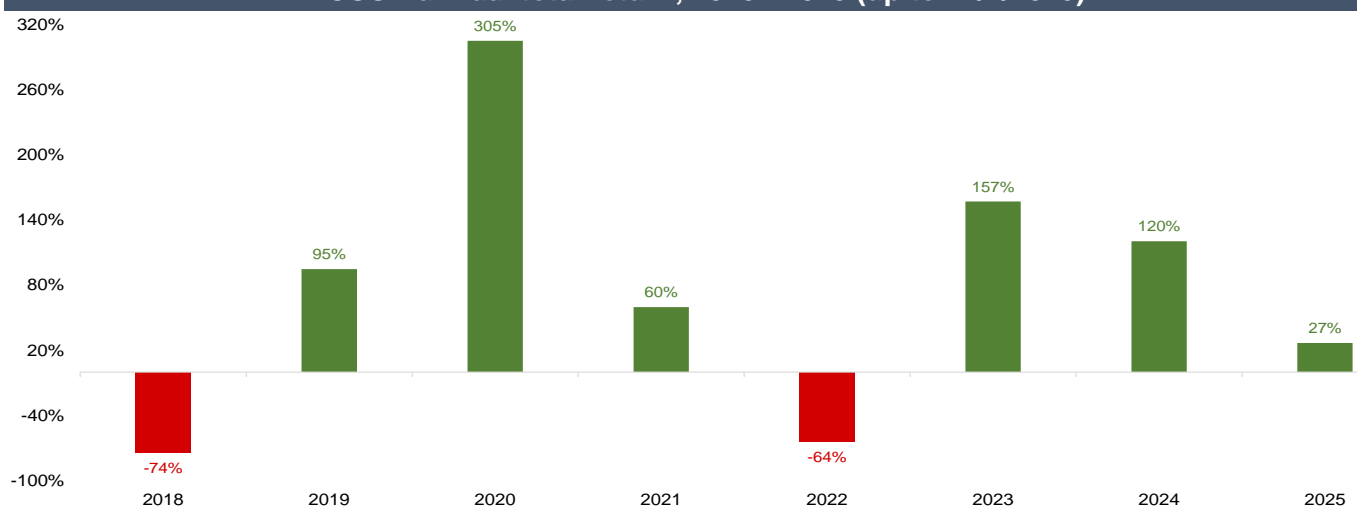
On Monday, Bitcoin surged to a fresh all-time high of \$123,205.12, according to Bloomberg, before retracing back below \$120,000 later in the week. The latest rally has been mainly driven by growing institutional demand, reflected in rising inflows into spot Bitcoin ETFs and a rising number of firms allocating a portion of their reserves to Bitcoin. Investors are closely monitoring progress on new crypto legislation expected to pass in the US Congress this week, which could establish a more transparent regulatory framework and unlock further institutional demand. In a year of heightened uncertainty in global trade and broader market turbulence, Bitcoin has gained more than 25% year-to-date after a remarkable 120% advance in 2024. Thus, it would be useful to dive deeper into the key drivers behind Bitcoin's strong performance and draw meaningful conclusions.

Firstly, given that it is US dollar denominated, Bitcoin has benefited from the greenback's retreat in 2025. Moreover, the persistently high inflation observed in recent years has enhanced the appeal of fixed-supply assets such as Bitcoin and gold, among investors seeking a hedge against currency debasement. Another key attribute of Bitcoin is that it is immune to financial sanctions. In an environment of rising geopolitical uncertainty, some countries may consider Bitcoin as a potential tool to bypass financial restrictions. This trend also extends to individuals who are leveraging Bitcoin's decentralized nature for various purposes, spanning from funding of illegal activities and money laundering to tax avoidance and evasion of traditional banking fees.

The above factors are receding in importance, with institutional adoption emerging as the dominant force behind Bitcoin's rally. This shift began 2024 with the introduction of spot Bitcoin ETFs by Wall Street giants. Although holding cryptos through ETFs strips away their decentralized characteristics, this development has ultimately proven beneficial as it triggered a wave of institutional demand. The missing piece of the puzzle has been a comprehensive regulatory framework, an issue that the US administration now seems determined to address. This week, which is referred to as "Crypto Week", several pieces of legislation are advancing through the US House of Representatives. The bills under consideration include the Genius Act designed to regulate stablecoins, the Clarity Act aimed at creating a regulatory framework for cryptos and the Anti-CBDC Surveillance State Act that will prohibit the Fed from issuing central bank digital currencies to individuals. According to sources, President Trump is planning to issue an executive order that will allow cryptos to be included in US retirement plans, paving the way for further institutional adoption. Corporates are also increasingly adding Bitcoin to their balance sheets as a reserve diversification strategy.

The trifecta of strong price appreciation, security offered by Wall Street-backed vehicles and growing regulatory clarity has fueled a surge in institutional demand for Bitcoin. We exercise caution for investors willing to gain exposure to cryptos due to their high volatility and limited track record. They may appeal to investors with a high risk tolerance and long-term horizon but should be held as a small part of a well-diversified portfolio.

**BTCUSD annual total return, 2018 - 2025 (up to 17/7/2025)**



Source: Global Markets Analysis, Bloomberg

Global Markets Minesweeper

July 18, 2025

## Global Markets Minesweeper

## Event Risk Calendar, 21 - 25 July, 2025

Monday 21/07						
Date Time	Country	Event	Period	Survey	Prior	
21/7 04:00	CH	1-Year Loan Prime Rate	21-Jul	3.00%	3.00%	
21/7 04:00	CH	5-Year Loan Prime Rate	21-Jul	3.50%	3.50%	
21/7 17:00	US	Leading Index (MoM)	Jun	-0.20%	-0.10%	🌩️
Corp. Results	US	Verizon Communications				
Tuesday 22/07						
Date Time	Country	Event	Period	Survey	Prior	
22/7 15:30	US	Philadelphia Fed Non-Manufacturing Activity	Jul	--	-25	
22/7 17:00	US	Richmond Fed Manufact. Index	Jul	--	-7	
22/7 17:00	US	Richmond Fed Business Conditions	Jul	--	-16	
Eco Event	US	Fed's Chair (J. Powell) speaks (15:30)				
Corp. Results	US	Danaher, Coca-Cola, RTX, Lockheed Martin, Philip Morris, Capital One				
Wednesday 23/07						
Date Time	Country	Event	Period	Survey	Prior	
23/7 14:00	US	MBA Mortgage Applications	18-Jul	--	-10.00%	
23/7 17:00	EC	Consumer Confidence	Jul P	-14.5	-15.30	🌩️
23/7 17:00	US	Existing Home Sales (MoM)	Jun	-0.70%	0.80%	
Corp. Results	US	Tesla, Alphabet, IBM, AT&T, NextERA				🌩️
	IT	UniCredit				
Thursday 24/7						
Date Time	Country	Event	Period	Survey	Prior	
24/7 03:30	JN	S&P Global Japan PMI Mfg	Jul P	--	50.1	
24/7 03:30	JN	S&P Global Japan PMI Services	Jul P	--	51.7	
24/7 09:00	GE	GfK Consumer Confidence	Aug	-19	-20.3	🌩️
24/7 10:30	GE	HCOB Germany Manufacturing PMI	Jul P	49.5	49	🌩️
24/7 10:30	GE	HCOB Germany Services PMI	Jul P	50.2	49.7	🌩️
24/7 10:30	GE	HCOB Germany Composite PMI	Jul P	51	50.4	
24/7 11:00	EC	HCOB Eurozone Manufacturing PMI	Jul P	49.8	49.5	🌩️
24/7 11:00	EC	HCOB Eurozone Services PMI	Jul P	50.8	50.5	🌩️
24/7 11:00	EC	HCOB Eurozone Composite PMI	Jul P	51	50.6	
24/7 11:30	UK	S&P Global UK Manufacturing PMI	Jul P	48	47.7	
24/7 11:30	UK	S&P Global UK Services PMI	Jul P	52.6	52.8	🌩️
24/7 11:30	UK	S&P Global UK Composite PMI	Jul P	51.7	52	🌩️
24/7 15:15	EC	ECB Deposit Facility Rate	24-Jul	2.00%	2.00%	🌩️

July 18, 2025

24/7 15:15	EC	ECB Main Refinancing Rate	24-Jul	2.15%	2.15%	🔍
24/7 15:15	EC	ECB Marginal Lending Facility	24-Jul	2.40%	2.40%	🔍
24/7 15:30	US	Initial Jobless Claims	19-Jul	--	221k	🔍
24/7 15:30	US	Chicago Fed Nat Activity Index	Jun	--	-0.28	
24/7 15:30	US	Initial Claims 4-Wk Moving Avg	19-Jul	--	229.50k	
24/7 15:30	US	Continuing Claims	12-Jul	--	1956k	
24/7 16:45	US	S&P Global US Manufacturing PMI	Jul P	--	52.9	🔍
24/7 16:45	US	S&P Global US Services PMI	Jul P	--	52.9	🔍
24/7 16:45	US	S&P Global US Composite PMI	Jul P	--	52.9	
24/7 17:00	US	New Home Sales (MoM)	Jun	4.30%	-13.70%	
<b>Eco Event</b>	EC	ECB President Christine Lagarde Holds Press Conference (15:45)				🔍
<b>Corp. Results</b>	US	Blackstone				
	SZ	Nestle, Roche,				
	FR	BNP Paribas, LVMH				
		<b>Friday 25/7</b>				
<b>Date Time</b>	<b>Country</b>	<b>Event</b>	<b>Period</b>	<b>Survey</b>	<b>Prior</b>	
25/7 02:01	UK	GfK Consumer Confidence	Jul	-18	-18	
25/7 02:30	JN	Tokyo CPI Ex-Fresh Food (YoY)	Jul	3.00%	3.10%	
25/7 02:30	JN	Tokyo CPI Ex-Fresh Food, Energy (YoY)	Jul	3.10%	3.10%	
25/7 08:00	JN	Leading Index CI	May F	--	105.3	🔍
25/7 08:00	JN	Coincident Index	May F	--	115.9	🔍
25/7 09:00	UK	Retail Sales Inc Auto Fuel (MoM)	Jun	1.40%	-2.70%	
25/7 09:00	UK	Retail Sales Inc Auto Fuel (YoY)	Jun	2.20%	-1.30%	
25/7 11:00	GE	IFO Business Climate	Jul	89.2	88.4	
25/7 11:00	GE	IFO Current Assessment	Jul	86.9	86.2	🔍
25/7 11:00	GE	IFO Expectations	Jul	91.5	90.7	🔍
25/7 15:30	US	Durable Goods Orders	Jun P	-10.00%	16.40%	

## Global Markets Analysis

[marketanalysis@alpha.gr](mailto:marketanalysis@alpha.gr)

Konstantinos Anathreptakis, CFA

[konstantinos.anathreptakis@alpha.gr](mailto:konstantinos.anathreptakis@alpha.gr)

Stelios Nistas, CFA

[stylianos.nistas@alpha.gr](mailto:stylianos.nistas@alpha.gr)

Stefanos Oikonomidis

[stefanos.oikonomidis@alpha.gr](mailto:stefanos.oikonomidis@alpha.gr)

Ioannis Maravelias

[ioannis.maravelias@alpha.gr](mailto:ioannis.maravelias@alpha.gr)

**Disclaimer:** The information herein is believed to be reliable and has been obtained from sources believed to be reliable, but we make no representation or warranty, express or implied, with respect to the fairness, correctness, accuracy or completeness of such information. In addition we have no obligation to update, modify or amend this communication or to otherwise notify a recipient in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. We therefore strongly suggest that recipients seek their own independent advice in relation to any investment, financial, legal, tax, accounting or regulatory issues discussed herein. Analyses and opinions contained herein may be based on assumptions that if altered can change the analyses or opinions expressed. Nothing contained herein shall constitute any representation or warranty as to future performance of any financial instrument, credit, currency rate or other market or economic measure. Furthermore, past performance is not necessarily indicative of future results. This communication is provided for information purposes only. It is not an offer to sell, or a solicitation of an offer to buy, any security, nor to enter into any agreement or contract with Alpha bank or any affiliates. In addition, because this communication is a summary only it may not contain all material terms, and therefore this communication in and of itself should not form the basis for any investment decision. Financial instruments that may be discussed herein may not be suitable for all investors, and potential investors must make an independent assessment of the appropriateness of any transaction in light of their own objectives and circumstances, including the possible risks and benefits of entering into such a transaction. By accepting receipt of this communication the recipient will be deemed to represent that they possess, either individually or through their advisers, sufficient investment expertise to understand the risks involved in any purchase or sale of any financial instrument discussed herein. Any duplication, copy, reprint or transmission of this document is prohibited without the prior written permission of the issuer.