

EMKAP News Overview

Tuesday, August 26, 2025

UNITED STATES (\$)

U.S. stocks closed lower, the S&P 500 lost 0.43%, the Nasdaq fell 0.31%, while the Dow declined 0.77%, giving back some of the gains from the previous session.

President Donald Trump called for the removal of Fed Governor Lisa Cook, alleging she falsified mortgage documents. Cook refused to resign, saying there is "no cause" for dismissal. The announcement raised concerns over Fed independence, pressuring the dollar and steepening the Treasury yield curve.

New single-family home sales in July declined 0.6% to a seasonally adjusted annual rate of 652,000 units, slightly above expectations of 630,000. This follows a revised 4.1% gain in June.

Furniture stocks slumped after Trump announced a probe into tariffs on furniture imports, Wayfair fell 5.9%, RH declined 5.3%, and Williams-Sonoma lost 2.7%. Keurig Dr Pepper dropped 12% following an \$18 billion deal to acquire Dutch-listed coffee firm JDE Peet's. Crypto-exposed stocks also fell, Strategy and Coinbase lost 4.2% and 4.3%, respectively, tracking Bitcoin's decline.

U.S. Treasury yields closed higher: UST2 +2.72 bps, UST10 +2.13 bps, and UST30 +1.42 bps. Today, yields opened mixed: UST2 down at 3.70%, UST10 up at 4.29%, and UST30 up at 4.92%. Over the past day, the yield curve steepened slightly: -1.92 bps for UST2, +2.14 bps for UST10, and +3.51 bps for UST30, with an average move of +1.24 bps.

Main economic data today: US July Durable Goods Orders, Speech by Fed Official Barkin.

EUROPE (€)

European markets closed lower: the DAX edged down 0.37%, the CAC 40 declined 1.59%, and the FTSE 100 was closed. French assets declined after Prime Minister Francois Bayrou called a confidence vote for September 8, potentially threatening his government.

UK food prices rose 4.2% y/y in August due to adverse weather and harvest issues, compounding operational cost pressures on supermarkets.

Germany's Ifo Business Climate Index rose to 89 in August, up from 88.6 in July and beating expectations. It's the highest reading since May 2024.

Main economic data today: Speech by BoE Official Mann, Speech by ECB Official Villeroy.

MIDDLE EAST (دول)

Turkey's central bank announced that no new FX-protected lira deposit accounts will be opened or renewed after August 23.

Yields on major Middle Eastern sovereign Eurobonds closed mixed: JORDAN30 -0.60 bps, EGYPT31 -1.10 bps, KSA34 -0.70 bps, BAHRAIN31 -1.90 bps, TURKEY45 +1.70 bps, ADGB31 -0.30 bps. Today, JORDAN30 is trading at 6.15%, EGYPT31 at 7.75%, KSA34 at 4.79%, BAHRAIN31 at 6.07%, TURKEY45 at 7.80%, and ADGB31 at 4.01%.

LATAM (R\$)

Brazil's FGV-IBRE Consumer Confidence Index fell by 0.5 points in August to 86.2, reversing July's gain. The drop was driven by weaker expectations.

Petrobras' CEO said the company would only consider further investment in Braskem SA if Novonor sells its stake.

Yields on major Latam local sovereign bonds closed mixed: COLOMBIA10 -13.1 bps, BRAZIL10 -5.79 bps, MEXICO10 +3.10 bps. Yields on major Latam sovereign Eurobonds closed higher: COLOMBIA35 (USD) +0.90 bps, BRAZIL37 (USD) +1.50 bps and MEXICO35 (USD) +0.40 bps.

COMMODITIES (🏠)

Oil prices closed higher, Brent rose 1.58% and WTI gained 1.79%. Brent is now trading at \$68.35, and WTI at \$64.37. The gains might reflect doubts over peace talks in the Russia-Ukraine war and hopes for a Fed rate cut in September, which could support global demand.

Gold fell 0.18% on Monday. Gold is currently trading at \$3,377.18/oz.

HAPPY TRADING!



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