

Kisher Capital — Market Update

July 14th, 2025

-June 2025 Market Snapshot-

Asset	June-25 Return	2025 YTD Return (as of 7/14/25)
S&P 500 (SPY)	+5.14%	+7.25%
Dow Jones Industrial Average (DIA)	+4.15%	+5.31%
Nasdaq Composite (QQQ)	+6.39%	+9.08%
iShares Core U.S. Aggregate Bond (AGG)	+1.46%	+3.16%

-Three Key Stories-

1: US Tariffs – Delays and Deals

As of mid-2025, U.S. tariffs have significantly reshaped the global trade landscape, with President Donald Trump's administration implementing a series of aggressive measures targeting various countries and sectors. In April, the U.S. announced a universal 10% tariff on almost all imports, effective April 5th, 2025, as part of the "Liberation Day" initiative. Additionally, specific tariffs were imposed on countries such as Canada, Mexico, China, and the European Union, with certain goods like energy products and pharmaceuticals facing even higher rates. Mexico and Canada remain exempt for USMCA-compliant goods. These tariffs were introduced to address trade imbalances and encourage domestic production.

A 90-day pause was put in place for the April 5th tariffs. This pause was set to expire on July 9th but was extended to August 1st. In the month of July, the Trump administration will be sending out letters to countries without a trade deal. These letters specify the tariff rate they will be facing on August 2nd if no deal is made. The U.K. and Vietnam have reached initial tariff deals with the US. China has an initial framework agreement. It remains to be seen how many more deals will be made before the August deadline and if the Trump administration will stick to this new delayed deadline.

2: Nvidia to Four Trillion – Historic Market Capitalization

Nvidia has officially become the first publicly traded company to reach a \$4 trillion market capitalization, surpassing both Apple and Microsoft. This milestone underscores Nvidia's significant role in powering the global artificial intelligence boom, with its chips in high demand across cloud computing, enterprise AI, and data-center infrastructure. Investors see Nvidia as the key supplier for next-generation AI systems, solidifying its position as the dominant force in the semiconductor and technology sectors. Despite concerns from some analysts about lofty valuations, Nvidia's leadership in AI hardware continues to attract substantial investor interest.

3: Fed Cuts Coming but How Much?

The Federal Reserve's June meeting minutes show officials largely expect cuts to the federal funds rate, currently set at 4.25% to 4.50%, before the end of 2025. There is wide disagreement on the timing and scale. Ten of nineteen policymakers anticipate two cuts this year, while others see just one or none, reflecting uncertainty around inflation trends and economic growth. A key concern among members is the inflationary impact of new tariffs introduced by the Trump administration, which several officials noted could complicate the timing of rate adjustments.

The federal funds rate is the interest rate banks charge each other for overnight loans and serves as a benchmark for borrowing costs across the economy. Lowering this rate helps reduce interest costs for consumers and businesses, encouraging spending, investment, and overall economic growth. Fed officials remain cautious because while inflation has cooled from its peak, it remains above the central bank's 2% target, and cutting rates too soon could risk reigniting price pressures. While some participants are open to easing as early as July, the broader consensus appears to lean toward a more cautious, data-dependent approach, with rate cuts more likely beginning in September.

-What to Watch-

7/15/2025: US major banks (JPMorgan, Citigroup, and Wells Fargo) report earnings

7/15/2025: June Consumer Price Index (CPI) and Core CPI announcement

7/30/2025: Next FOMC meeting and Fed Funds rate announcement

8/01/2025: Tariff deal deadline

References

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<https://www.cnbc.com/2025/07/09/most-fed-officials-see-rate-cuts-coming-but-opinions-vary-widely-on-how-many-minutes-show.html>

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