

# WIMAN & WONG

## Wealth Management Group

Monthly Newsletter

July 2025 Comment

### Unusual

Last time we looked, an escalation, was an escalation! BUT given recent activities with Iran, Isreal and the US it appears from a market perspective that an escalation is actually a de-escalation?

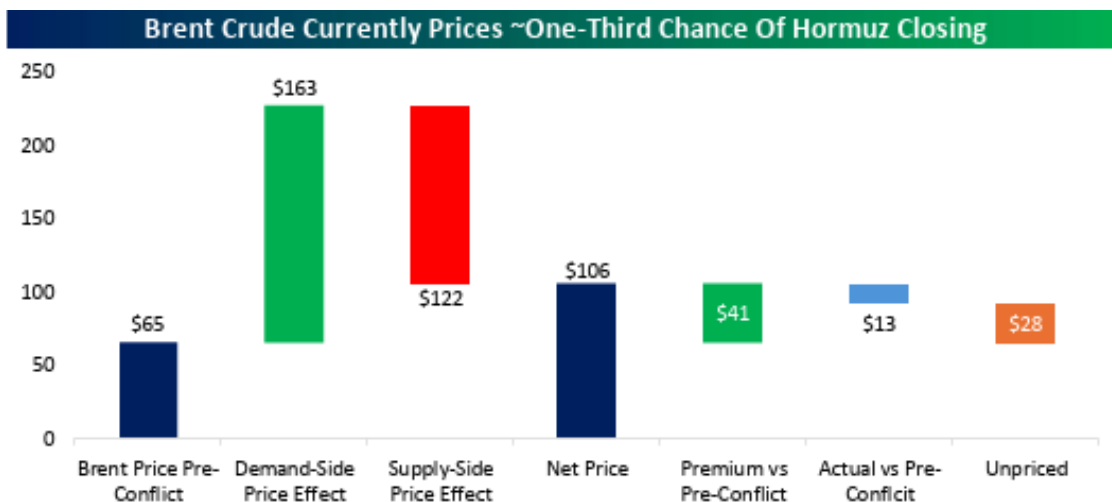
We are sitting here writing on June 23<sup>rd</sup> after a weekend of bunker bombing in one of the more energy sensitive places in the world and the markets are up and oil prices are lower!!!??? In the previous rational world, any time there has been an escalation, oil prices generally rallied or spiked, and capital markets have performed softer. BUT, not today. The world and media outlets all seem to be scratching their heads.

Today (still working June 23<sup>rd</sup> date time 😊) we received two pieces of what appeared to be reasonable and key pieces of information on oil prices. Both pieces were highly suggestive of higher energy prices. Consider the blurb from Goldman Sachs:

#### In energy markets, Goldman analysts laid out two scenarios:

1. If only Iran supply were to drop by 1.75mb/d, they estimate that Brent would peak of around \$90, with a decline back to the \$60s in 2026;
2. If oil flows through the Strait of Hormuz were to drop by 50% for one month and then were to remain down 10% for another 11 months, they estimate that Brent would briefly jump to a peak of around \$110.

In another review Bespoke laid out a constructive argument for some sort of risk premium as follows:



Source: Bespoke

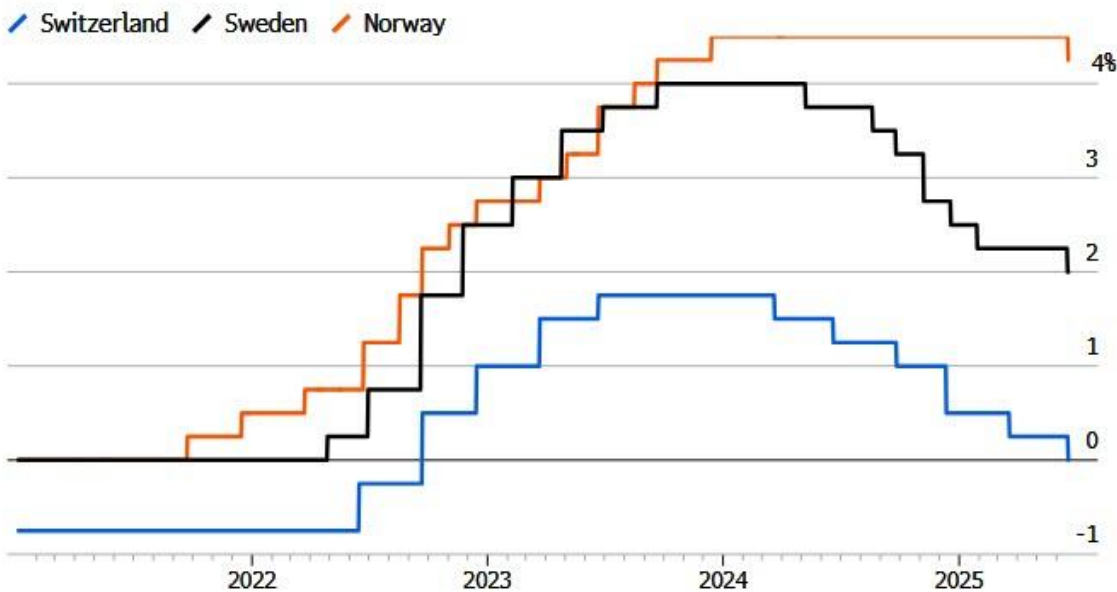
The challenge is that the world now knows that the Strait of Hormuz has never been closed. SO, everything is good. BUT shipping prices have gone up a lot because the insurance premiums have spiked. SO, oil should be higher still, but once again it is not. Unusual...



## Are we going back to negative interest rates again????

Really it is impossible to know but, in some cases, we are starting back down the road we have seen before. The details around the scope of this writing will be limited but the chart below indicates that the Swiss are at the limit at this juncture.

**Swiss, Swedish and Norwegian Central Banks Cut Rates**

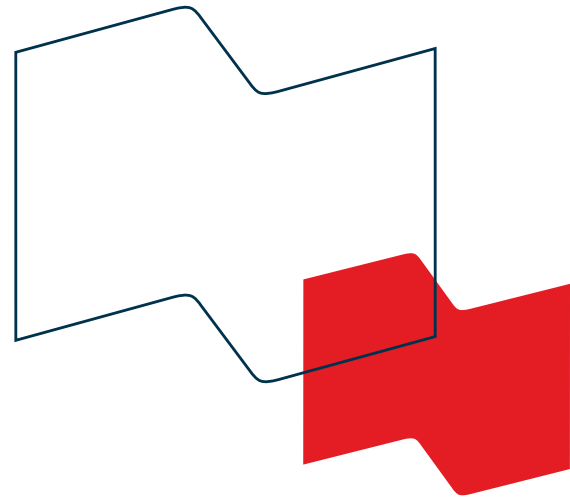
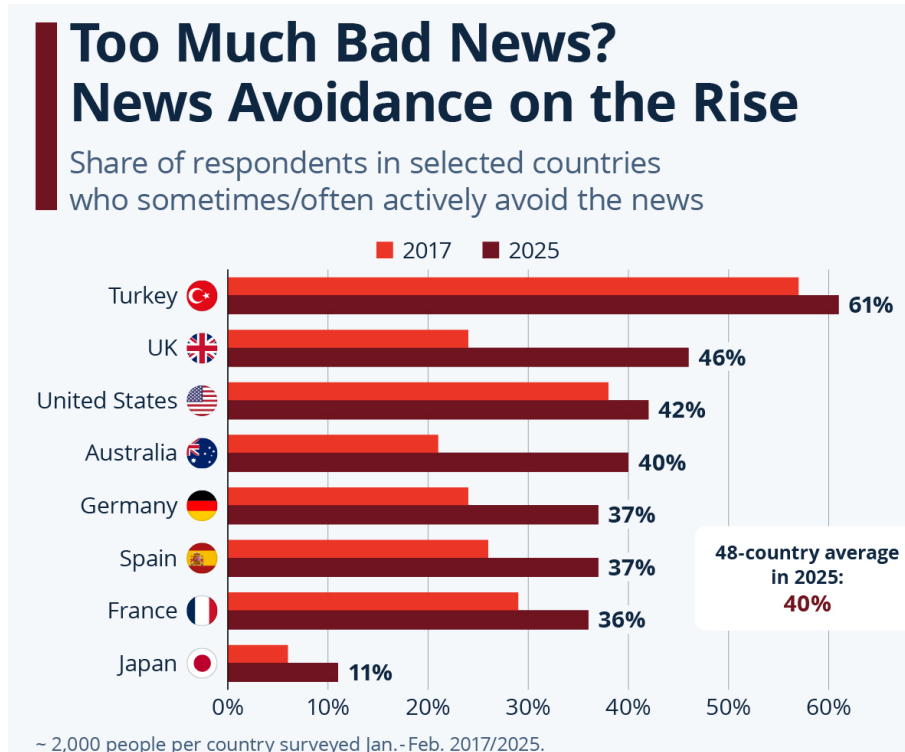


Source: Zero Hedge, SNB, Riksbank, Norges Bank, Bloomberg.

What does that mean for the rest of the world? Closer to home the chart is also heading in the right direction, and we have another announcement out of the Bank of Canada in July that from current indications suggest lower of rates again. Time will tell. Basically, more free money 😊! Not really but sort of... and you only need to tune into the Southern rant every now and again to know that the US is looking for lower rates. Once again time will tell.

## Is the NOISE TOO Loud!!!

Well if you have read this far you are not alone in your thoughts of bad news. The global noise level around global events has been kind of deafening in the last several quarters. The graphic below shows the percentage of people that are avoiding the news:



Source: Statista, Reuters Institute – Digital News Report 2025

If you're avoiding the news, you are not alone.

### Enjoy the Summer

Yes, it's that time again, heat domes, humidity and good times. Enjoy the summer and stay safe! Hopefully it will not be unusual... 😊



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