

Markets Stay Steady Despite Powell Speculation Ahead of Tech Earnings

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Global markets remained cautious yet composed on July 17 as investors digested fresh speculation regarding Federal Reserve Chair Jerome Powell's future and looked ahead to earnings reports from leading technology firms. Asian equities were mostly flat, while European futures saw modest gains. In the U.S., futures for both the S&P 500 and Nasdaq

dipped modestly as investors remained cautious ahead of key tech earnings and Fed developments.

The day's uncertainty stemmed from reports that President Trump had privately discussed removing Federal Reserve Chair Jerome Powell, briefly rattling markets before clarifying it was "highly unlikely." The news briefly rattled markets and contributed to a dip in the U.S. dollar. However, following a clarification from the White House, markets regained their footing. Treasury yields held steady, signaling that investors do not anticipate immediate changes in monetary policy.

Optimism out of Asia helped lift sentiment: Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest contract chipmaker, saw its stock rise ahead of expected strong second-quarter results. The company is expected to announce record profits, which, along with high expectations for Netflix's earnings later this week, provided a modest boost to global tech sentiment.

In Europe, futures for major indices including the EURO STOXX 50, the FTSE 100, and Germany's DAX rose between 0.4% and 0.6%. The gains followed a subdued week and reflect growing investor optimism that corporate earnings, particularly from the tech sector, will help steer markets through broader economic uncertainty.

Commodity markets were mixed. Brent crude oil prices climbed slightly, supported by signs of tightening supply, while gold edged down as risk sentiment remained subdued. In the currency markets, the Australian dollar weakened on softer-than-expected employment data, and Japan's yen lost ground due to falling export numbers.

Back in the U.S., strategists at Citadel Securities pointed to continued support from corporate buybacks. American companies are projected to repurchase about \$1 trillion of stock in 2025, a trend Citadel Securities says should bolster markets, especially as July is traditionally a strong month. Citadel adds that July has historically been the strongest month for the S&P500 since 1928.