

## Markets Remain Steady Amid Uncertainty Over Powell's Future

July 17, 2025

— Categories: *Breaking News*



Global financial markets remained relatively calm on July 17 despite renewed speculation about the fate of U.S. Federal Reserve Chair Jerome Powell. While political chatter out of Washington hinted at potential leadership changes, investors appeared to discount any immediate shake-up at the central bank, instead focusing on earnings, economic data, and broader geopolitical dynamics.

Rumors that President Trump was considering removing Powell sent brief ripples through Wall Street, contributing to a modest pullback in equities and softening the U.S. dollar. However, the White House quickly denied any formal plans to oust the Fed chief, helping to ease concerns among traders and prevent a deeper market reaction.

Bond markets held steady, with U.S. Treasury yields showing minimal movement, reflecting the market's assumption that Powell will stay in place for now or that any transition would not fundamentally alter the Fed's near-term monetary policy path. Analysts note that the central bank's independence is still a politically sensitive issue, especially as inflation stabilizes and growth prospects remain uncertain.

In Europe, equities rebounded from a four-day decline, with strong corporate earnings providing relief. The STOXX 600 gained nearly 0.7%, led by industrial and tech stocks. German firm ABB saw a notable surge following robust order books, and chipmaker-related optimism supported a recovery in names like ASML.

The dollar's recent weakness, driven in part by the Powell speculation, helped lift non-U.S. markets, especially in Europe and Asia, where exporters benefit from a more favorable exchange rate. Meanwhile, attention is shifting to a slate of major tech earnings, with investors awaiting results from TSMC and Netflix, which could influence sentiment heading into the next trading cycle.

Commodities traded mixed. Oil prices dipped slightly on concerns about Chinese demand, while gold inched higher as investors sought safety in the face of political uncertainty in Washington.

Looking ahead, traders remain alert to any developments surrounding Fed leadership but appear more focused on fundamentals, including earnings and macroeconomic indicators. While the noise around Powell has created temporary volatility, markets seem to be betting that continuity and central bank credibility will ultimately prevail.