

7/13/25[★]

Sunday Dump

WEEKLY NEWSLETTER



Welcome to the Sunday Dump, your weekly 5 minute digest of the most exciting developments in finance, economics and current events.

Markets



Title

On July 11th, Dow Jones reached its sharpest drop of the week, declining 250 points after President Trump threatened a 35% tariff on all Canadian imports beginning this August. Trade-sensitive companies in the Dow Jones Industrial Average (DJIA), particularly industrial and auto companies, may be a reason for such a decline. These impacts were reflected in other areas of the market, as the S&P 500 experienced a decline of 0.3%, whereas the NASDAQ Composite fell by 0.2%. Nevertheless, with rising uncertainty towards investments due to increasing tariffs, growth stocks have largely outperformed value stocks as investors lean more towards high-growth companies.

Although various countries have been targets of tariffs, Trump has been honing his attention on certain metals, specifically copper, whose prices have jumped 13% in the past week. This sudden increase can be credited to Trump's recent announcement of a 50% tariff on copper imports. His plan to tariff copper, silver, and various other metals serves as a part of the current administration's larger strategy to increase domestic metal production in preparation for a potential war. By doing this, he hopes to ensure America can utilize these metals to manufacture weapons. These tariffs, however, pose a threat to car manufacturers who heavily rely on foreign metals. Among these companies are Ford, Porsche, and Tesla, which may potentially pass on costs to consumers. Most vulnerable to these tariffs are EV manufacturers, who use up to 3 times as much copper in a single vehicle compared to non-electric cars.

Economics



Trump and Tariffs (again)

President Trump announced that a 30% tariff will be imposed on most goods imported from both the European Union (EU) and Mexico starting August 1st, 2025. The administration justified the letters sent to these countries by framing the abrupt increase in tariff levels as a crucial part of the Trump administration's plan to create a more equitable global trade system. Several leaders from the European Union expressed discontent with the circumstances this decision left them in.

European Commission President Ursula von der Leyen pointed out that the higher tariffs would “disrupt essential transatlantic supply chains, to the detriment of businesses, consumers and patients on both sides of the Atlantic” due to the EU collectively selling more to the US than any single country. She and many other leaders, including the President of Mexico, Claudia Sheinbaum, hope to work toward a better agreement by August 1st for their countries.

Previously, Trump's global 10% tariff imposed on April 2nd (nicknamed “liberation day”) led to a worldwide market crash from uncontrolled selling, requiring Trump to put a pause on the higher tariffs around a week later. To avoid encountering the same situation, Federal Reserve Chair Jerome Powell continues to reject Trump's advocacy for lower interest rates, despite Trump's public criticism of him. This is mainly because the expected inflation resulting from the tariffs would likely be worsened by lower interest rates. Trump's justification for the reduction of interest rates centers on his belief that cheaper borrowing and investment would stimulate economic activity and lead to long-term economic growth. Whether President Trump's tariffs lead to repeated disruption in the economy or these global leaders reach a better agreement for their countries will be revealed in the coming weeks.

Crypto



Bitcoin had a massive surge recently, reaching close to the milestone of \$120,000. Not only did it recover from President Trump's tariff policies, but it recorded an all-time high of \$119,264 per coin. It's not just Bitcoin; Ether, the world's second-largest cryptocurrency, similarly jumped nearly 5% to \$3016.00. The entire crypto market took off, reflecting a positive sentiment among investors.

So why did this happen?

There are many reasons why BTC skyrocketed. For example, one factor could be the introduction of many pro-crypto policies by the Trump administration, including the Strategic Bitcoin Reserve, Digital Asset Stockpile, Genius Act, and more. These policies signal a shift towards more responsible growth of blockchain technology. More specifically, the Strategic Bitcoin Reserve and Digital Asset Stockpile are aimed at officially holding and managing crypto assets. These pro-crypto policies likely boosted investor confidence by suggesting long-term stability, helping fuel this week's crypto surge.

Another major factor behind this rise is the rush of institutional investors (Institutional investors are large organizations that manage and invest money on behalf of individual investors, including banks, hedge funds, and pension funds), who are increasingly viewing Bitcoin as a legitimate asset.

Legitimacy increases demand for an asset, and so institutions invest, believing crypto will grow and play a bigger role in the future financial world.

Crypto... continued

On July 11, Bitcoin ETF recorded a total inflow of \$1.03 billion, following \$1.17 billion in inflows the day before. So, as we can see, the sudden spike on July 11 happened because of record-breaking ETF inflows, triggering a short squeeze, forcing traders betting against Bitcoin to buy back in quickly. A *short squeeze happens when investors who bet the price will go down (called short sellers) are forced to buy back in quickly because the price is rising instead*. This led to a chain reaction, as people kept buying Bitcoin, increasing demand and pushing the price higher than ever before. CoinDesk reported a huge short-squeeze contributing to the velocity of the spike in trading, with \$1.01 billion of short seller positions being liquidated within 24 hours.

It is hard to track and pinpoint exactly one reason behind the Crypto rise, so there is another speculation of why Bitcoin rose this week. According to Reuters, on July 11, a Shanghai regulator publicly discussed policy responses towards digital currencies for the first time in years. This was the first public sign from a major Chinese authority of a pivot from China's crypto ban. This boosted investor confidence and created a positive sentiment in the global economy for cryptocurrency. This is why investors were trying to front-run the potential Chinese investments and buy Bitcoin. *Front-running is the practice of trading securities based on advanced knowledge of a future transaction that will likely change their price.*

So, what now? Bitcoin, like most crypto assets, is highly volatile. The price can fluctuate widely over just a few days. Some think that BTC passing the \$120,000 threshold could mean that it is on its way to skyrocketing even more, whereas others believe it will only fall from here.

Stock of the Week



This past week, WK Kellogg (KLG) stock had an incredible rise, jumping over 30% from \$17.26 to \$22.84, with a peak of \$27.38. This increase made it the top-performing stock that Morningstar analysts covered for this past week. The rise came after Ferrero Group, the Italian candy company, locked a deal to buy WK Kellogg.

On Thursday, July 10, Ferrero and WK Kellogg announced that they had reached a firm agreement for Ferrero to buy Kellogg for \$3 billion. This offer represented a significant premium over WK Kellogg's stock price before the news broke, prompting investors to quickly buy shares to capture that higher value. This deal means that Ferrero Group will now take over the manufacturing, marketing, and selling of WK Kellogg's well-known breakfast cereals across the world. Interestingly, WK Kellogg's breakfast cereal sales had declined for decades before this sale to Ferrero. The sale also highlights the fact that Ferrero is looking to grow into more spaces than just the candy space, now becoming a big player in the breakfast cereal space – a space worth \$77 billion.

This acquisition is a clear example of how the food space is being quickly taken over by a few large companies. The purchase price of \$23 a share made investors rush to secure the stock, as this \$23 was significantly higher than the share price before the sale.

Sunday Dump

Upcoming Week...



WEEK OF 7/13/25

Monday



Tuesday

 CORE CPI
M/M

Wednesday

 CORE PPI
 \$JPM Earnings


Thursday

 RETAIL
SALES
 \$JNJ Earnings

Friday

 \$AXP
Earnings

Sat-Sun

 Sunday Dump
Seminar

 Key Economic Data

 Key Stock Events

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Thanks for reading



SUNDAY DUMP'S WEEKLY
NEWSLETTER

Written by Mark Dutta, Seiji Yoshihira, Arjun Arya, Abhinav
Maramraju, Amrit Singh, Aarav Dey, Krupa Patel, and Maushmi
Raj
