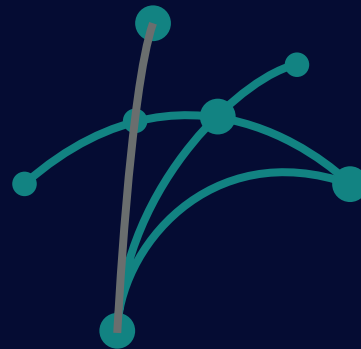


# Omnis Agility



## Geopolitical tensions ease and European equities rise, while cautious positioning remains in global portfolios

### Market-moving events

**Geopolitical risks in focus.** The Israel–Iran flare-up passed quickly from a market perspective, with US involvement raising questions about the success of its mission. While the conflict appears to have subsided, oil prices spiked and then fell back. A sustained rise could have pushed inflation higher, potentially limiting central banks' ability to cut interest rates.

**Rate cut bets increase.** Following the US intervention, President Trump renewed his call for more rate cuts. With tariff policy unclear, the Federal Open Market Committee (FOMC) is expected to hold steady in July. The Purchasing Managers Index (PMI) shows the economy slowing, but not yet in contraction territory.

**Poor UK data in June.** Weaker GDP, retail sales and job growth led to increased expectations of an interest rate cut by the Bank of England in August. Despite a significant drop in payrolls, we expect some mean reversion next month. The labour market is loosening and further rate cuts are likely this year, with potential for more than the market expects in 2026.

### Investment highlights

Our key investment themes include:

Equities: Latam, China, US smaller companies,

US energy, UK mid-cap, India and Europe

Bonds: US Treasuries and global inflation-linked bonds

**Portfolio rebalance with added ETF exposure.** We rebalanced all Agility portfolios in early June, introduced one new ETF and added to an existing ETF to reflect our latest tactical asset allocation views, ensuring portfolios remain diversified and responsive to global market opportunities.

**Increased allocation to European equities.** We raised our exposure to the Vanguard FTSE Developed Europe ex UK UCITS ETF. With interest rate cuts expected and rising defence spending in Germany, European equities look promising. Investors are reallocating from US equities, which should support European markets.

**Adding direct exposure to Indian equities.** We added the iShares MSCI India UCITS ETF, tapping into India's strong growth potential (over 6% per year) and improving economic conditions. Lower interest rates, falling energy prices and increasing foreign investment should boost the Indian stock market.

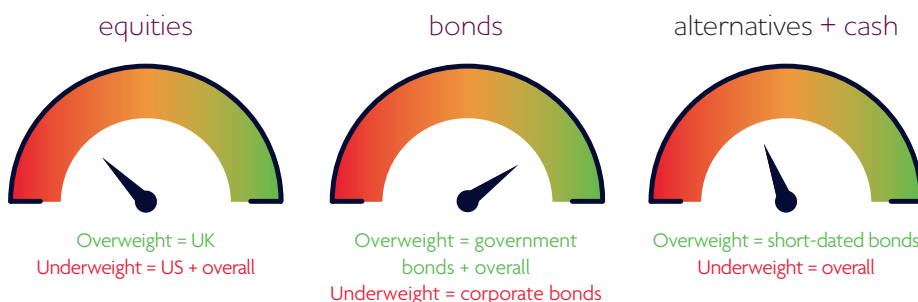
### Asset allocation

Red = underweight

Amber = neutral weighting

Green = overweight

If you'd like more detail on our asset allocation views then please visit our [online dashboard](#).



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Approved by Omnis Investments on 1 July 2025

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