



# A.G. Advisory Firm, LLC

*Your Success Starts Today*

August 1 2025

## Q2 2025 Brief

### Business Updates

- A.G. Advisory Firm, LLC began accepting clients on August 1 2025.

### Market Updates

*Note: This Brief was published on August 1 2025, with the third quarter well underway.*

- Inflation has remained relatively stable over Q2 2025 (April-June) but there is indication that it is ticking upwards as a result of the massive changes underway in the global and domestic economies.
- Other metrics as well, including hiring and unemployment numbers, may indicate an imminent slowdown of the U.S. economy as the effects of tariffs and mass deportations become apparent.
- The Federal Reserve, the U.S. central bank, continues to maintain rates rather than give in to pressure from the White House to lower discount rates by as much as 3%.
- Due to above-mentioned pressure on Federal Reserve independence and a sovereign credit downgrade in May by Moody's, a credit rating agency, the dollar has fallen significantly against a basket of other major currencies.

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- As President Trump's Liberation Day deadline nears, more preliminary trade deals are announced and more notice letters are being issued. Because the U.S. tariff regime appears to be an extremely dynamic and ever-shifting one, it is difficult to predict both the effects this regime will have on the domestic economy and whether it will survive judicial and/or private-interest scrutiny.
- To make matters more confusing, due to the complexity of negotiating framework trade deals with upward of 90 countries simultaneously, numerous tariff exemptions have been granted by the President, adding not only complexity for businesses but complicating projections on the true cost tariffs may incur on the U.S. economy.
- However, one thing has been clear so far. Taxing imports has been raising a large amount of cash for the federal government. Based on modeling performed by the *Tax Foundation*, "Trump's imposed tariffs would raise \$2.4 trillion in revenue over the next decade on a conventional basis (\$1.7 trillion on a dynamic basis) and reduce US GDP by 0.8 percent, all before foreign retaliation"<sup>1</sup>. Whether the federal government will be able to manage this windfall effectively is another matter.

- In any event, you may review the list printed by the *Financial Times* on 8/1/2025:<sup>2</sup>

○ Country	April 2 rate	New Rate
○ EU	20	15
○ Japan	24	15
○ South Korea	25	15
○ Taiwan	32	20
○ Vietnam	46	20
○ United Kingdom	10	10
○ India	26	25
○ Brazil	10	10*
○ Switzerland	31	39
○ Thailand	36	19

\*40 per cent tariff applies on top of baseline 10 per cent

- Listed also are YTD performance numbers as of July 31 2025 close, as reported by *Morningstar*:<sup>3</sup>
  - Dow Jones: +3.7%
  - S&P 500: +7.8%
  - FTSE 100: +11.7%
  - Nikkei 225: +3.0%

## The Brief

*Note: This content is not intended to offer or deliver investment, tax or legal advice in any way.*

- Congress passed H.R.1 One Big Beautiful Bill, which will have significant implications for American taxpayers young and old and across many different professions with most changes to take effect from January 1 2026.<sup>4</sup>
- The lower tax rates, tax brackets and higher standard deductions introduced by the Tax Cuts and Jobs Act (2017) will become permanent. Standard deductions will be inflation-adjusted based on 2024 amounts
- Deductions for personal exemptions were effectively eliminated, which may result in a higher taxable income. However, seniors age 65 and older may now qualify for an additional \$6,000 deduction, subject to phase-outs, until January 1 2029
- The State and Local Taxes (SALT) deduction has been temporarily increased, subject to income phase-outs, from \$10,000 to \$40,000 until after 2029
- Mortgage insurance premium deduction rules have also been permanently extended, which may allow homeowners to deduct their premiums as mortgage interest
- 119 H.R.1 also greatly increases the estate tax exclusion from \$5,000,000 to \$15,000,000 per person, which may create significant estate planning opportunities for high-net-worth-individuals (HNWIs).
- Other significant changes introduced by One Big Beautiful Bill include changes to business taxation and small business stock exclusions, eligible education expenses that can be paid out from 529 education savings plans, charitable contribution rules, student aid eligibility, EV and other green energy-related tax credits, new \$1,000 Trump IRA accounts for eligible children born from 2025-2028.

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- Congress passed the GENIUS Act, which aims to secure cryptocurrency a place in American finance through regulation. President Trump has vowed to make America the “crypto capital of the world”.<sup>5</sup>
- The regulatory framework established by the GENIUS Act and associated mandates may improve consumer confidence in stablecoins and cryptocurrency in general, leading shortly to a boom in stablecoin and cryptocurrency-related products. For example, already changes are being made to the microfinance landscape based on stablecoin loans such as ones provided by Divine Research, as reported in the *Financial Times*.<sup>6</sup>

Do you have a question or comment? Contact us.

## Event Calendar

- No events currently planned. This section will be updated regularly.

# References

1. York, E. & Durante, A. (2025). Trump Tariffs: Tracking the Economic Impact of the Trump Trade War. *Tax Foundation*.  
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2. Williams, A. & Hille, K. (2025). Donald Trump reignites global trade war with sweeping tariff regime. *Financial Times*.  
<https://www.ft.com/content/f9cec1b0-9583-4791-9f18-164a30b13f9b>
3. *Morningstar*. (2025). US and Global Stock Market Indexes. *Morningstar*.  
<https://www.morningstar.com/markets/indexes>
4. U.S. Congress. (2025). H.R.1 - One Big Beautiful Bill Act. U.S. Congress.  
<https://www.congress.gov/bill/119th-congress/house-bill/1/text>
5. The White House. Fact Sheet: The President's Working Group on Digital Asset Markets Releases Recommendations to Strengthen American Leadership in Digital Financial Technology. *The White House*.  
<https://www.whitehouse.gov/fact-sheets/2025/07/fact-sheet-the-presidents-working-group-on-digital-asset-markets-releases-recommendations-to-strengthen-american-leadership-in-digital-financial-technology/>
6. Steer, G. (2025). Crypto lenders dial up risk with 'microfinance on steroids'. *Financial Times*. <https://www.ft.com/content/c531a2bc-d258-431b-855c-2a6aaf230661>

# Disclosures

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This content is intended to provide general information about A.G. Advisory. It is not intended to offer or deliver investment advice in any way. Information regarding investment services are provided solely to gain an understanding of our investment philosophy, our strategies and to be able to contact us for further information.

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Past performance is no guarantee of future returns.

Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy will be profitable.

Additional Important Disclosures may be found in the A.G. Advisory Form ADV Part 2A. For a copy, please Contact Us at [info@agadvisoryfirm.com](mailto:info@agadvisoryfirm.com).

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