



Comment

July 2025

Dividend forecasts up on sterling weakness

The UK equity market made meaningful gains in July with an increase in capital value of low single digits. This was partly a consequence of a drop in sterling against the dollar of a similar magnitude. Oil finished the month little changed from the start.

Given the decline in sterling it was to be expected that the forecasts for dividends to be paid next year edged up a little, largely driven by the large international banks and oil companies.

Within the market the largest gains came from tobacco and consumer goods companies. However, house builders and advertising companies recorded significant declines, probably a reflection of the continuing squeeze on personal finance.

Valu-Trac Investment Management Limited

VT Munro Smart-Beta UK Fund

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