



CIO continues to recommend their "Six ways to invest in Europe" theme, which includes some of the beneficiaries of a potential truce. (UBS)

Trump outlines US role in Ukraine security guarantees

19 August 2025, 15:17 UTC, written by UBS Editorial Team

US President Donald Trump on Monday suggested the US would help “coordinate” European security guarantees for Ukraine if a peace agreement with Russia is reached, while stopping short of promising direct US military support. His remarks followed meetings in Washington with Ukrainian President Zelenskyy, NATO Secretary General Rutte, and other European leaders, and came several days after a high-profile summit with Russia’s President Putin in Alaska, which failed to deliver a ceasefire.

Trump on Monday also suggested he would broker a trilateral meeting with Zelenskyy and Putin in search of a deal. Rutte separately indicated Ukraine’s NATO membership was not currently on the table, but that security guarantees modeled on Article 5 were under active consideration. According to the Financial Times, Ukraine has proposed purchasing USD 100bn in US weapons, financed by Europe, as part of the security guarantee framework. Additionally, a separate USD 50bn US-Ukraine drone production deal is said to be under discussion. Zelenskyy told reporters that security guarantees with partners could be “formalized on paper within the next week to 10 days,” according to Reuters.

Chief Investment Office view: Stepped-up diplomatic efforts are a positive development, but we anticipate negotiations will likely be slow and marked by distrust. With the gap between sides still wide, no decisive battlefield shifts, and ongoing European support for Ukraine, our base case is for the war to persist into next year. European equity volumes have remained low into these events, reflecting both seasonality and investor caution on potential Russia-Ukraine outcomes. That said, progress toward meaningful security guarantees is encouraging. If a credible peace deal were to emerge, we would expect sentiment to improve for consumers, businesses, and financial markets across Europe. Any move toward a credible ceasefire would likely pressure defense stocks in the near term, but we think the long-term trend of rising NATO defense spending would remain intact. So, any correction could offer an attractive entry point. The outlook for resuming Russian gas flows to Europe is highly uncertain due to infrastructure damage and political hurdles, but further

declines in gas prices could support European growth, with energy-intensive European equity sectors like chemicals, autos, construction materials, and industrials likely to benefit. We continue to recommend our "Six ways to invest in Europe" theme, which includes some of the beneficiaries of a potential truce.

Original report – [US IG spreads narrow to a 25-year low, 19 August 2025.](#)

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