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01ST - 05TH SEPTEMBER 2025

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

U.S. markets as measured by the S&P 500 index reversed the previous week's losses, gaining 0.33% in the holiday-shortened week. The tech-heavy Nasdaq Composite followed suit, gaining 1.01%—supported by shares of Apple and Google parent Alphabet, which both rose in the wake of an antitrust ruling that some investors viewed as less severe than expected—while the Dow Jones Industrial Average shed 0.26% for the week. The week's economic calendar brought several reports that painted a bleak picture of the health of the U.S. labour market, the most notable of which came on Friday morning from the Labor Department's nonfarm payrolls report. The closely watched report revealed that U.S. employers added just 22,000 jobs in August, a sharp decline from July's revised figure of 79,000 and well below estimates for around 77,000. August's unemployment rate also ticked up to 4.3%, the highest since 2021. These numbers solidified market expectations of a rate cut at the upcoming policy meeting this month with analysts pricing in a 100% chance of at least a 25-basis-point cut while the probability of a 50-basis-point cut rose from 0% to about 10%. Across the Atlantic, the pan European Euro STOXX 600 ended lower for a second consecutive week, shedding 0.61% from the previous week's close, amid concerns about global growth after weak U.S. jobs data and a stronger euro. Headline inflation in the eurozone ticked up in August to 2.1%, staying close to the European Central Bank's (ECB's) 2% medium-term inflation target. Comments made by ECB policymakers mainly reinforced the view that interest rates would remain unchanged in September and for some time after that. Meanwhile, unemployment in the bloc eased to 6.2% in July from 6.3%, a low last hit in November 2024. In Asia, the Nikkei 225 Index added 0.70% marking a second consecutive week of gains. Japanese auto shares were boosted by the U.S. officially implementing a trade deal with Japan reached in July, which caps tariffs on most Japanese goods, including autos, at 15%. Meanwhile, the yield on the 10-year Japanese government bond (JGB) fell to 1.57% from 1.61%, hovering near 17-year highs midweek on political uncertainty, with Prime Minister Shigeru Ishiba facing calls to step down. Finally, Mainland Chinese stocks as illustrated by the onshore benchmark CSI 300 Index fell 0.81% in local currency terms as investors pocketed gains after a recent rally. China's stock markets have surged since April, largely due to domestic liquidity rather than strong corporate earnings or an improving economy. However, economic indicators have pointed to a broad slowdown in China's economy, which is struggling with the threat of higher U.S. tariffs, a yearslong property downturn, and persistent deflation.

Data highlights: U.S. Non-Farm Payrolls for August came in significantly weaker than expected at 22K, well below the 75K forecast and the prior 79K reading. Canada's unemployment rate ticked higher to 7.1%, missing the 7% forecast and rising from the previous 6.9%. In Europe, the unemployment rate for July held steady at 6.2%, in line with expectations and slightly below the prior 6.3%. Eurozone inflation was reported at 2.1% in August, higher than the 2% forecast. Switzerland's unemployment rate stood at 2.8%, matching the market expectations U.K retail sales grew by 1.1% year-on-year in July, falling short of the 1.3% forecast. Australia's GDP growth rate for Q2 rose to 1.8%, stronger than both the 1.6% forecast and the prior 1.4%.

Week ahead: China Inflation Rate– Tuesday |Eurozone Interest Rate Decision, U.S Consumer Price Index – Thursday | U.K GDP MoM - Friday

Global Markets Overview

Treasury yields: The 10-year US Treasury yield tumbled to 4.07%, its lowest level in five months, as mounting evidence of a deteriorating labour market pushed investors toward safe havens and strengthened the case for a dovish Fed. August's non-farm payrolls rose by just 22,000, well below the expected 75,000, extending the sharp slowdown in hiring since May, while the unemployment rate climbed to its highest since 2021. The weak data cemented expectations that the Fed will resume its easing cycle with a 25bps cut this month, with markets now leaning toward three rate cuts in 2025. Meanwhile in Japan, the 10-year JGB yield eased to 1.58%, a near three-week low, as traders digested fresh wage data and speculated on the Bank of Japan's next move. August marked the first rise in real wages since December, buoyed by steady base pay increases and generous summer bonuses, fuelling expectations that the BOJ could tighten policy further.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.07	-3.65	-10.83
Bund 10Y	2.66	-2.28	12.46
Gilt 10Y	4.65	-1.61	1.71
Japan 10Y	1.58	-1.37	43.51

Equities: US equities ended mixed but tilted higher, with investors torn between weak jobs data and growing confidence in Fed rate cuts. The S&P 500 rose 0.33%, the Nasdaq 100 jumped 1.01%, while the Dow slipped 0.26%, after August's payrolls showed just 22K new jobs versus 75K expected and unemployment climbing to a near four-year high of 4.3%. Meanwhile in Europe, sentiment soured further as worries over US growth combined with a stronger euro's drag on exporters. The STOXX 50 dropped 0.63% to 5,318, and the STOXX 600 slid 0.61% to 565, rounding off a cautious week for global markets. Alphabet Inc just caught a significant break in its long-running battle with regulators. U.S. District Judge Amit Mehta issued his highly anticipated ruling on remedies in the landmark antitrust case against Google. While the court reaffirmed that the company held an illegal monopoly in internet search, the penalties were far less severe than feared. Instead of being forced to divest key businesses like Chrome or Android, Google will face narrower restrictions focused on contracts and data-sharing. For investors, that outcome was good enough to spark a considerable rally as the shares jumped 11.63% for the week.

Indices	Close	% W/W	% YTD
S&P 500	6482	0.33	10.20
EU Stoxx 600	565	-0.61	11.74
FTSE 100	9208	0.23	12.67
Nikkei 225	43019	0.70	7.83

Currencies: The US dollar lost ground after weak jobs data, with the dollar index easing to 97.77 and ending the week unchanged, as soft labour market figures reignited expectations for aggressive Fed rate cuts. The weak report reinforced dovish commentary from FOMC officials and bolstered market conviction that the Fed will restart its rate-cutting cycle this month, with traders now pricing in three cuts by year-end. Meanwhile, the Euro strengthened on diverging fundamentals. The euro pushed to $1.1717, its strongest level since late July, as resilient Eurozone employment and a tick higher in inflation reduced expectations of further ECB easing. Markets now anticipate the central bank will hold rates steady through year-end, with focus shifting to next week's meeting for confirmation. The bloc's economy expanded 0.1% in Q2, while inflation held at 2.1% in August, aligning with the ECB's target.

Currencies	Close	% W/W	% YTD
EURUSD	1.1717	0.27	13.16
GBPUSD	1.3509	0.04	7.93
USDJPY	147.43	0.26	-6.22
USD Index	97.77	0.00	-9.88

Commodities: WTI crude oil slipped 3.34% to $61.87 per barrel, snapping a three-week winning streak as supply concerns resurfaced. A surprise 2.4-million-barrel build in US inventories added pressure ahead of Sunday's key OPEC+ meeting, where members will debate potential output hikes. Reports suggest Saudi Arabia is pushing to ramp up production to reclaim market share, a move that could partially unwind the group's 1.65 million bpd cuts. Geopolitical frictions remain a drag, with Washington tightening pressure on Russian crude buyers and slapping new levies on imports from India. Coffee futures eased to $3.74 per pound, cooling from recent three-month highs as traders await clarity on whether Trump's proposed 50% tariff on Brazilian imports will be enforced. While prices pulled back, the market remained volatile, buoyed by tight certified stocks, speculative flows, and weather risks across Brazil.

Commodities	Close	% W/W	% YTD
Gold	3587	4.02	36.66
Copper	448.25	-0.80	11.32
WTI Crude	61.87	-3.34	-13.73
Coffee	373.65	-3.22	29.13

Performance of Major Global Financial Assets

% Change.

	US 10Y	BUND 10Y	GILT 10Y	JAPAN 10Y	AUSSIE 10Y	ITALY 10Y	S&P 500	NASDAQ	EU STOXX 50	DAX INDEX	FTSE 100	NIKKEI 225	HANG SENG	USD INDEX	EURUSD	GBPUSD	USDJPY	USDCNY	USDZAR	WTI CRUDE	GOLD	COPPER	COFFEE	WHEAT
W/W	-3.6	-2.3	-1.6	-1.4	1.5	-2.3	0.3	1.0	-0.6	-1.3	0.2	0.7	1.4	0.0	0.3	0.0	0.3	0.0	-0.4	-3.3	4.0	-0.8	-3.2	-2.8
MTD	-3.6	-2.3	-1.6	-1.4	1.5	-2.3	0.3	1.0	-0.6	-1.3	0.2	0.7	1.4	0.0	0.3	0.0	0.3	0.0	-0.4	-3.3	4.0	-0.8	-3.2	-2.8
YTD	-10.8	12.5	1.7	43.5	-0.5	-0.5	10.2	12.6	8.6	18.5	12.7	7.8	26.7	-9.9	13.2	7.9	-6.2	-2.3	-6.7	-13.7	36.7	11.3	29.1	-13.2
	GOV. BOND YIELDS						EQUITY INDICES							CURRENCIES						COMMODITIES				

KEY: -100% +100%

Data Sources: Bloomberg, Investing.com, TradingEconomics, T.RowePrice, Standard Investment Bank

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