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15TH - 19TH SEPTEMBER 2025

GLOBAL MARKETS

WEEKLY MARKET BRIEF

Highlights.

For a third consecutive week, U.S. equities as gauged by the S&P 500 delivered positive returns, rallying 1.22% and closing at new all-time-highs. Smaller companies outperformed, with the Russell 2000 rising 2.16%, while the tech-heavy Nasdaq Composite gained 2.21%. The central bank's policy meeting concluded with a 25-basis-point rate cut, the first since December 2024. The main reason for this move is the Fed's concern over a potential deterioration in the labour market, which could quickly push the economy into a recession. While such a correction is not necessarily disastrous—and can even help to cleanse the market of misallocated investments and loans—it will also result in a significantly larger government deficit. New Fed Governor Stephen Miran dissented, calling for a deeper 50-basis-point cut. Looking ahead, the Fed signalled more easing, projecting another 50 basis points of cuts this year and raising the likelihood of additional reductions in 2026 and 2027. Markets also reacted to trade news after President Donald Trump and Chinese President Xi Jinping spoke by phone. Trump later posted on social media that the two had reached an agreement over TikTok's U.S. ownership and made progress on broader trade talks. In the European continent, the bullish sentiment was sustained, with the pan-European STOXX 600 adding 0.56% as investors digested central bank decisions. The Bank of England kept rates steady at 4% in a 7–2 vote but announced it would slow the pace of bond sales from GBP 100 billion to GBP 70 billion per year to ease pressure on gilt markets. Governor Andrew Bailey stressed that while inflation should return to 2%, future rate cuts would be gradual. UK data showed inflation holding at 3.8% in August, wage growth rising to 4.7%, and unemployment steady at 4.7%. However, payrolls fell for a seventh month in a row, pointing to some softening in the labour market. In Asia, Japanese equities were mixed, with the Nikkei 225 up 0.62% and the TOPIX down 0.41%. The Bank of Japan (BoJ) surprised investors by announcing plans to begin selling its holdings of exchange-traded funds and Japanese real estate investment trusts much earlier than markets had anticipated—a move widely seen as a signal toward monetary policy normalization. As anticipated, the BoJ kept rates unchanged at 0.50%, though two policymakers pushed for a hike—the first dissent under Governor Kazuo Ueda. The central bank reiterated that rates could rise if economic and inflation trends continue as forecast. Chinese stocks fell after recent gains as weak data pointed to slowing momentum. The CSI 300 lost 0.44% and the Shanghai Composite dropped 1.30%. August figures showed retail sales up 3.4% and industrial output up 5.2%, both at their weakest pace this year. With consumer and producer prices under pressure, investors expect Beijing to roll out targeted stimulus to shore up growth and housing.

Data highlights: In Canada, annual inflation for August rose to 1.9%, slightly below the 2% forecast but higher than the prior 1.7%. The Bank of Canada cut its policy rate to 2.5%, as expected, from the previous 2.75%. The U.S. Federal Reserve cut its benchmark rate by 25 basis points to 4.25%, in line with expectations and down from the prior 4.50%. The U.K. unemployment rate for July remained unchanged at 4.7%, matching analyst forecast. U.K. inflation for August held at 3.8% year-on-year, in line with market expectations. In the Eurozone, the Consumer Price Index remained stable at 2.0% year-on-year, slightly below the 2.1% forecast and matching the prior figure. The Bank of England left its policy rate unchanged at 4.0%, in line with analyst's forecasts. The Bank of Japan maintained its benchmark rate at 0.5%, fully in line with market expectations.

Week ahead: Australia CPI indicator – Wednesday | U.S GDP Growth Rate Q2 – Thursday | U.S Personal Consumption Expenditure Index YoY - Friday

Global Markets Overview

Treasury yields: Treasury yields: The 10-year US Treasury yield closed at 4.13% after the Federal Reserve adopted a tone that was less dovish than investors had hoped. The Fed delivered the widely expected quarter-point cut earlier in the week and projected two more reductions before year-end, while signalling only a single move in 2026. Chair Jerome Powell characterized the decision as a precautionary step against labour market weakness, insisting there was no need to quicken the pace of easing. Across the Pacific, Australia's 10-year government bond yield steadied at 4.24% after briefly touching a six-week low, as weak labour data rattled markets. Employment unexpectedly fell by 5,400 in August after a revised 26,500 increase in July, missing forecasts of a 22,000 gain, while the jobless rate remained at 4.1% in line with expectations. Markets now place a 70% probability on the RBA delivering a rate cut in November, although policymakers are expected to hold steady at their upcoming meeting.

Bond Yields	Close	% W/W	% YTD
US 10Y	4.13	1.55	-9.67
Bund 10Y	2.75	1.22	16.10
Gilt 10Y	4.72	0.94	3.22
Japan 10Y	1.65	3.20	49.41

Equities: Wall Street's major indexes closed the week at fresh highs, building on their record-breaking momentum as investors cheered upbeat corporate earnings, the Fed's first rate cut of 2025, and encouraging signals in US-China relations. Sentiment was further buoyed by a lengthy call between President Trump and China's Xi Jinping, where progress was noted on trade, fentanyl, and a potential TikTok deal. By week's end, the S&P 500 had climbed 1.22%, the Dow added 1.10%, and the Nasdaq surged 2.22%. Across the Atlantic, European stocks edged higher, tracking Wall Street's gains as financial heavyweights lifted the broader market despite mixed sector moves. For the week, the STOXX 50 rose 1.26%, while the STOXX 600 posted a modest 0.56% gain. In the week, Nvidia said on Thursday it would invest $5 billion in Intel, throwing its heft behind the struggling U.S. chipmaker just weeks after the White House engineered an extraordinary deal for the federal government to take a massive stake in the company. Nvidia's support offers Intel a new chance after years of turnaround efforts failed to pay off, and triggered a 23% jump in the U.S. chip manufacturer's shares. The stake will make Nvidia one of Intel's largest shareholders, giving it roughly 4% of the company after new shares are issued.

Indices	Close	% W/W	% YTD
S&P 500	6664	1.22	13.31
EU Stoxx 600	577	0.56	14.15
FTSE 100	9217	-0.72	12.77
Nikkei 225	45046	0.62	12.91t

Currencies: The dollar index climbed to 97.64 by week's end, staging a rebound from the January 2022 lows touched earlier in the week as markets digested the Fed's first rate cut of the year alongside its updated economic projections. The Fed trimmed the funds rate by 25 bps on Wednesday, in line with expectations, while signalling an additional 50 bps of cuts this year and one more in 2026. At the press conference, Chair Jerome Powell framed the move as a "risk management" step, cautioning that "there are no risk-free paths," even as policymakers upgraded GDP forecasts, underscoring the economy's resilience. Meanwhile, the Japanese yen maintained its slide against the U.S. Dollar for a fourth consecutive week. The Bank of Japan left its policy rate unchanged at 0.5% for a fifth straight meeting, noting a moderately recovering economy but highlighting persistent risks from global trade tensions.

Currencies	Close	% W/W	% YTD
EURUSD	1.1746	0.10	13.44
GBPUSD	1.3472	-0.62	7.64
USDJPY	147.95	0.18	-5.88
USD Index	97.64	0.10	-9.99

Commodities: Gold surged to $3,685 per ounce on Friday, notching its fifth straight weekly advance as investors embraced the Federal Reserve's first rate cut of the year and looked for clues on the path ahead. With lower rates reducing the opportunity cost of holding non-yielding assets, the bullion's bullish run gathered fresh momentum. On the physical side, demand remained strong, with Indian premiums at a 10-month high and Chinese discounts widening to a five-year peak. Gold has now skyrocketed 40.42% year-to-date, consistently breaking records as expectations of deeper Fed cuts, geopolitical uncertainty, and robust central bank buying fuel demand. Meanwhile, wheat futures softened to $5.22 per bushel after touching a six-week high of $5.40, as traders weighed improving global supply prospects. Forecast rains across the Midwest and north Delta are expected to bolster US soft wheat yields, while Western Australia raised its output outlook by 300,000 metric tons.

Commodities	Close	% W/W	% YTD
Gold	3685	1.16	40.42
Copper	456.90	-0.42	13.47
WTI Crude	62.68	-0.02	-12.60
Wheat	522.50	-0.19	-12.70

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	1.6	1.2	0.9	3.2	0.6	0.3	1.2	2.2	1.3	-0.2	-0.7	0.6	0.6	0.1	0.1	-0.6	0.2	-0.1	-0.3	0.0	1.2	-0.4	-7.6	-0.2
MTD	-2.4	0.9	-0.1	2.7	-0.8	-1.5	3.2	5.2	2.0	-1.1	0.3	5.4	5.9	-0.1	0.5	-0.2	0.6	-0.2	-1.8	-2.1	6.9	1.1	-5.1	-2.2
YTD	-9.7	16.1	3.2	49.4	-2.8	0.3	13.3	17.2	11.5	18.7	12.8	12.9	32.3	-10.0	13.4	7.6	-5.9	-2.5	-8.0	-12.6	40.4	13.5	26.7	-12.7
	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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