

Weekly Newsletter

May 02nd, 2025

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Musings

"We must accept finite disappointment, but never lose infinite hope."

—Martin Luther King Jr.

Last week in the markets

	Closing level	Weekly change	YTD change
S&P 500	5,686.66	2.92%	-3.31%
Nasdaq Composite	17,977.73	3.42%	-6.90%
10Y UST Yield	4.308	1.25%	-5.79%
Crude oil	58.29	-7.51%	-18.73%
Gold	3,240.95	-2.36%	23.50%
DXY	100.04	0.45%	-7.78%
USD/INR	84.48	-1.03%	-1.23%
Euro STOXX 50	5,299.00	2.20%	9.09%
India (Nifty)	24,346.70	1.28%	2.97%
Japan (Nikkei)	36,830.69	3.15%	-7.68%
China (CSI 300)	3,770.57	-0.43%	-4.18%
Saudi (TASI)	11,543.67	-1.88%	-4.09%
Abu Dhabi (ADX)	9,579.10	1.99%	1.70%
Dubai (DFM)	5,291.35	2.49%	2.57%

News from the markets

Wall Street extended its gains to a ninth straight day Friday, **marking the stock market's longest winning streak since 2004.**

Along the way, it reclaimed the ground it had lost since President Donald Trump escalated his trade war in early April.

The initial rally till ~ 5,400 levels, which we had foretold in our newsletter a couple of weeks ago, got extended further on the back of a few factors.

Continuing relief over the 90-day pause in tariffs and Trump walking back his earlier talk of firing Powell before his term expires.

Tentative signs of a cooling of trade-related tensions between the US and China, with both sides expressing willingness to discuss terms of a potential deal.

The fact that not only were Q1 corporate earnings barring a few exceptions relatively good but, rather more importantly, the forward guidance that has been shared was, on balance, better than feared.

Continuing commitment to AI spending by the hyperscalers, suggesting confidence in the investment.

The monthly US jobs report came in better than expected, with the economy adding 177,000 nonfarm payrolls in April, more than the 138,000 expected by economists. The unemployment rate also held steady at 4.2%.

Interestingly, most of the buying has come from retail investors, with institutional investors opting to remain bearish.

Crude oil prices in the U.S. are down about 19% for the year. **They fell below \$60 per barrel this week**, as traders turned cautious ahead of an OPEC+ meeting to decide the group's output policy for June. This is a level at which many producers can no longer turn a profit.

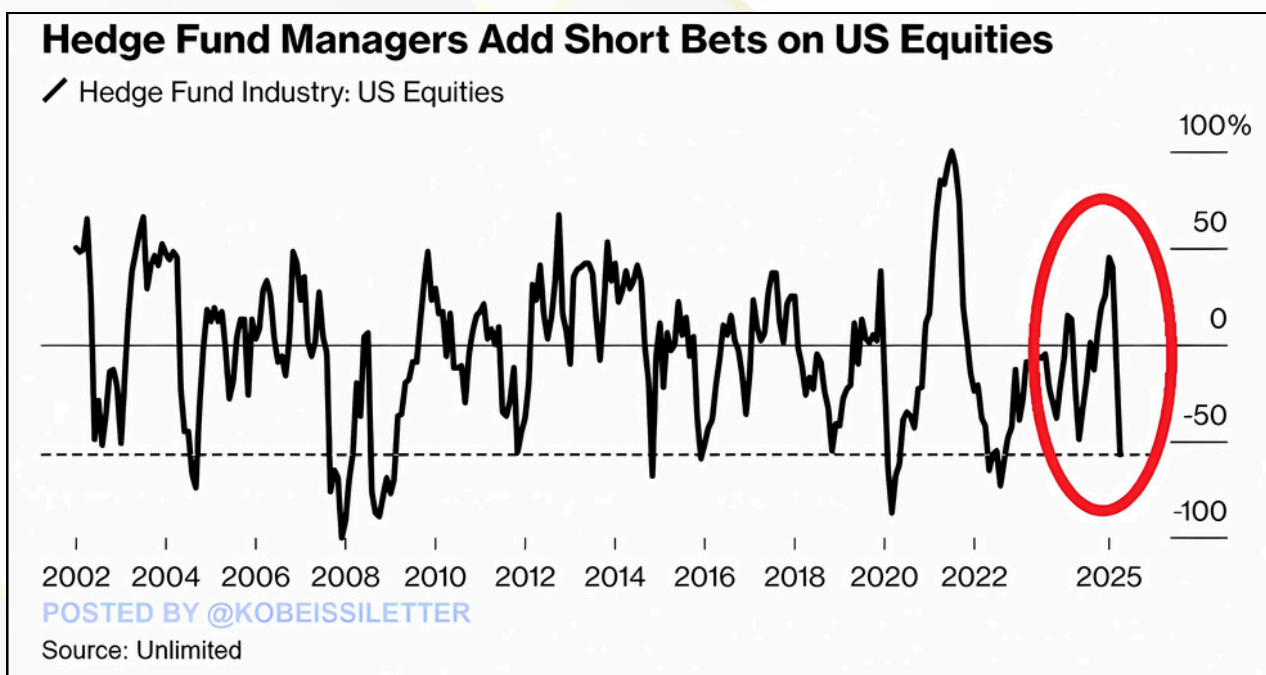
After months of tense negotiations, the U.S. and Ukraine signed a deal that is expected to give Washington access to the country's critical minerals and other natural resources, an agreement Kyiv hopes will secure long-term support for its defense against Russia.

Warren Buffett, the legendary investor and a leading figure in global business, announced he will step down as chairman and CEO of Berkshire Hathaway by the end of 2025. Greg Abel, whom Buffett had previously named as his eventual successor, is vice-chair of Berkshire's non-insurance operations.

Key economic events coming this week

May 05 th	<ul style="list-style-type: none">• China, Hong Kong, Japan, UK Markets Holiday• US PMI (Apr)• Berkshire Hathaway, Palantir, Mahindra & Mahindra earnings
May 06 th	<ul style="list-style-type: none">• Japan Markets Holiday• US 10-Year Note Auction• SMCI, AMD, Arista Networks, Axa earnings
May 07 th	<ul style="list-style-type: none">• US Interest Rate Decision• Uber, Disney, Novo Nordisk, ARM earnings
May 08 th	<ul style="list-style-type: none">• UK Interest Rate Decision• US initial Jobless Claims• US 30-Year Bond Auction• Shopify, Conocophillips, Coinbase, Mercado Libre earnings
May 09 th	-

Chart of the Week



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