

Weekly Newsletter

September 26th 2025

MUSINGS

“AI doesn’t have to be evil to destroy humanity — if AI has a goal and humanity just happens to be in the way, it will destroy humanity as a matter of course without even thinking about it.”

– Elon Musk

LAST WEEK IN THE MARKETS

	Closing level	Weekly change	YTD change
S&P 500	6,643.70	-0.31%	12.96%
Nasdaq Composite	22,484.07	-0.65%	16.43%
10Y UST Yield	4.174	0.99%	-8.73%
Crude oil	65.72	5.32%	-8.37%
Gold	3,759.86	2.03%	43.27%
DXY	98.18	0.54%	-9.49%
USD/INR	88.63	0.62%	3.62%
Euro STOXX 50	5,503.60	0.68%	13.30%
India (Nifty)	24,654.70	-2.65%	4.27%
Japan (Nikkei)	45,354.99	0.69%	13.69%
China (CSI 300)	4,550.05	1.07%	15.63%
Saudi (TASI)	11,308.11	4.89%	-6.05%
Abu Dhabi (ADX)	9,999.82	-1.27%	6.17%
Dubai (DFM)	5,855.30	-2.79%	13.50%

NEWS FROM THE MARKETS

US Core Personal Consumption Expenditures (PCE) data, a key gauge for the Federal Reserve, was released on September 26th. **Headline US consumer price inflation rose to 2.9% in August (from 2.7%), but wholesale prices posted a 0.1% monthly decline.** Core PCE inflation projections have been revised lower to 2.8% for 2025, down from 3.4%.

Though the Fed targets inflation at 2%, **the readings are unlikely to change course for policymakers** who last week indicated they see two more quarter percentage point reductions before the end of the year.

According to the CME Fedwatch tool, almost **88% of investors expect a rate cut in October 2025**. Treasury yields have remained mostly unaffected.

Global flash PMI surveys released on September 23rd provided an early read on September's economic activity. The **Global Manufacturing PMI had recently improved to 50.9 in August** (above the 50 threshold for expansion); the US Manufacturing PMI was at 53.0 in August, its best since May 2022.

President Trump announced new tariffs on pharmaceuticals, heavy trucks, and furniture. The new tariffs range from 30% to 100%. Exceptions for pharmaceuticals apply if the producer is building a manufacturing plant in the US or if the country has a trade agreement that covers drugs.

Donald Trump signed an executive order approving a proposal that would keep (TikTok) alive in the U.S. in a transaction that Vice President JD Vance said values the business at \$14 billion. Under the terms, a new joint-venture company will oversee TikTok's U.S. business, with ByteDance retaining less than a 20% stake. Enterprise tech giant Oracle, Silver Lake and the Abu Dhabi-based MGX investment fund will be main investors in TikTok's U.S. business, controlling a roughly 45% stake in the entity, while ByteDance investors and new holders will own 35%. China must still approve the deal.

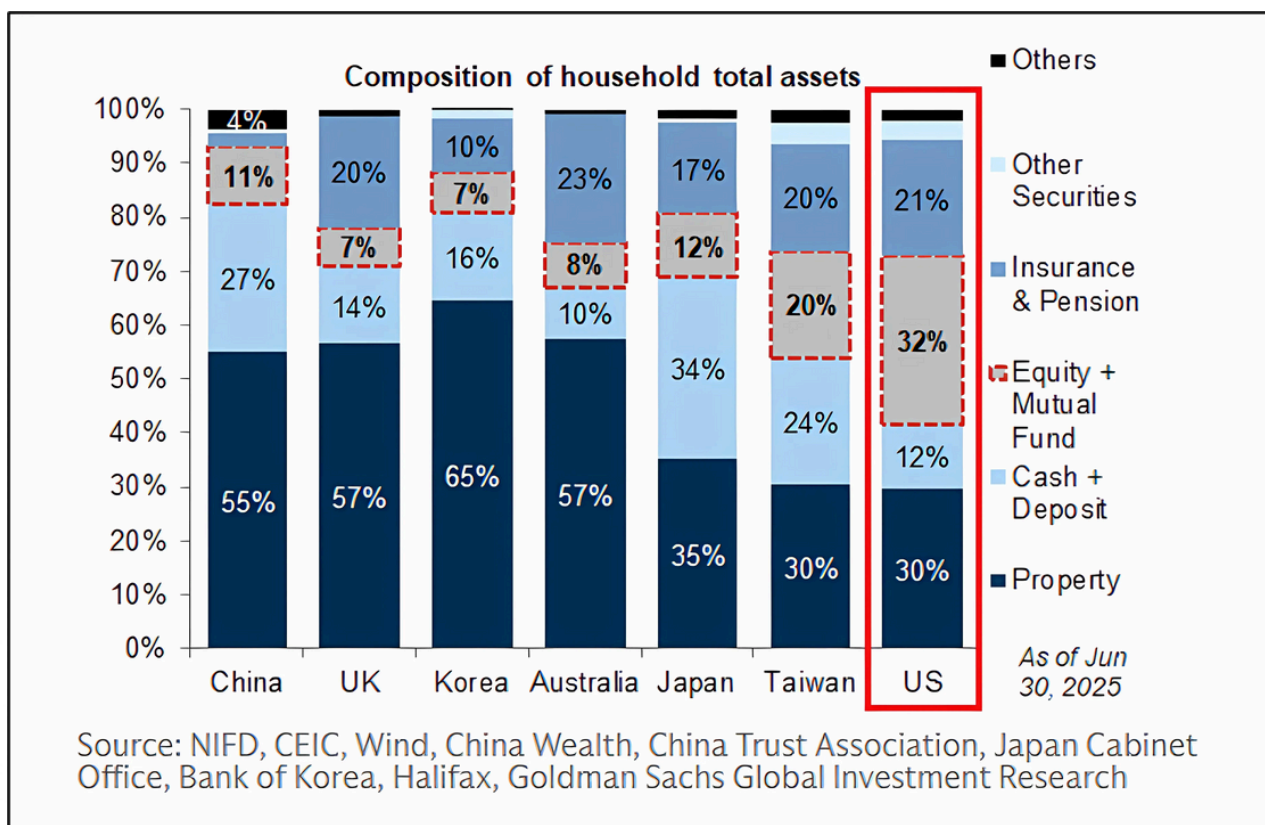
US and China are reportedly in the final stages of negotiations for a "huge" Boeing aircraft deal that could end up as a "centerpiece" of a broader trade agreement.

A possible federal government shutdown is only days away as congressional lawmakers remain at odds over funding the government beyond September 30th. Although Republicans control Capitol Hill and the White House, they need at least seven Democrats in the Senate to join them to pass a spending package under the chamber's rules. Trump and the White House Office of Management and Budget have already signaled that they are willing to use a totally different playbook — urging agencies to downsize workers in programs whose funding has lapsed and which don't align with Trump's priorities.

KEY ECONOMIC EVENTS COMING THIS WEEK

September 29th	<ul style="list-style-type: none">• China Manufacturing PMI (Sep)• Carnival Earnings
September 30th	<ul style="list-style-type: none">• CB Consumer Confidence (Sep)• JOLTS Job Openings (Aug)• Nike Earnings
October 01st	<ul style="list-style-type: none">• China & Hong Kong Markets Holiday (National Day)• India Interest Rate Decision• US Manufacturing PMI (Sep)• Fermi IPO
October 02nd	<ul style="list-style-type: none">• China Markets Holiday (National Day)• India Markets Holiday (Mahatma Gandhi Jayanti)
October 03rd	<ul style="list-style-type: none">• China Markets Holiday (National Day)• US Services PMI (Sep)• US Nonfarm Payrolls & Unemployment Rate (Sep)

CHART OF THE WEEK



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