

## Weekly Market Report For 20 – 24 October 2025

### Overview



- US shares hit all-time highs, driven by optimism about US-China trade talks, resilient corporate earnings, and easing inflation.
- Trump will meet Xi at the end of this month during Trump's Asia visit.
- Netflix and Tesla revenue grew but earnings missed.
- Takaichi has officially become Japan's first female Prime Minister.
- China 3Q25 GDP +4.8% YoY, better than expected.

### Market Brief



 Last week, US reached new all-time high over optimism for US-China trade deal and strong corporate earnings. Investor sentiment was also lifted by easing inflation, boosting the case for Fed rate cut. Dow Jones +2.2%, S&P 500 +1.9% and NASDAQ +2.3%.

 **US-China trade relations**

- The White House confirmed that President Donald Trump will meet President Xi Jinping on October 30, during Trump's Asia visit.
- US and Chinese officials reached a preliminary consensus on several trade-related issues, including progress on fentanyl export controls and maritime shipping fees.
- US Treasury Secretary Scott Bessent confirmed that the 100% tariffs on Chinese imports have been removed from the negotiation table. Bessent also stated that China is expected to resume large-scale purchases of US soybeans, and China will delay its rare earth export restrictions by about one year. Despite these developments, the US will maintain its export controls on Chinese companies.
- Trump and Xi also plan to discuss about ending the war in Ukraine.

 **US Mega-Cap earnings**

- Netflix revenue grew 17% YoY but profit missed estimates due to a USD619 million tax expense related to a dispute with Brazilian tax authorities. Shares dropped following the earnings release. Netflix expects another 17% YoY revenue growth in 4Q25, driven by subscriber growth, price increases and higher ad revenue.
- Tesla revenue rose 12% YoY, marking a recovery after two quarters of decline. Earnings per share (EPS) came in at \$0.50, below analyst expectations and down 31% YoY, attributed to i) lower vehicle prices, ii) a 50% increase in operating expenses, reaching USD3.4 billion, driven by R&D and AI initiatives. Despite the earnings miss, Tesla shares rebounded later in the week, following broader market trends.

 **Japan**

- Sanae Takaichi formed a coalition government with the Japan Innovation Party (Ishin) and won 237 votes in Japan's 465-seat Lower House, securing her position to become the country's first woman prime minister. However, the new coalition is a minority government, which may face challenges in passing key legislation and the national budget.
- She faces urgent challenges, including persistent inflation and rising living costs. She is expected to meet with US President Donald Trump during his visit to Japan this week.
- Japanese equities rose as the yen weakened, reflecting market expectations of greater fiscal spending and dovish monetary policy.

 **China**

- GDP grew 4.8% YoY in 3Q25, slightly above expectation, but down from 5.2% in 2Q25. Growth was supported by exports, while domestic consumption and investment eased.
- Retail sales grew by 3% YoY, the lowest since November of the previous year. Fixed-asset investment fell 0.5% in the first nine months of the year – the first contraction since 2020. However, industrial production rose 6.5% in September, exceeding expectations and reflecting strong manufacturing sector.
- China's top leaders concluded the Fourth Plenum last week. The government emphasized a strategic shift toward self-reliance in advanced technologies, focused on boosting domestic consumption to drive sustainable economic growth and reduce reliance on external demand. Policymakers also highlighted the importance of innovation, technology, and real estate, aligning with market expectations.
- The Chinese stock market rose, supported by new tech-focused policies and the announcement of a Trump-Xi meeting this week.

 **Thailand**

- SET Index closed at 1,313.91 points, +39.3 points, driven by strong Banking sector earnings and foreign fund inflows. Foreign investors showed a net buy of THB7.8 billion while institutional investors recorded a net sell of THB5.9 billion.

 **Gold prices** fell nearly 5% during the week due to profit-taking. Prices recovered slightly later in the week, but still ended down about 2% WoW. Analysts warned that if trade negotiations continue to improve, gold may face further downside risk.

 **WTI crude oil prices** surged 7.6% after the US imposed sanctions on Russia's two largest oil companies, aiming to pressure President Vladimir Putin to end the war in Ukraine.

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