

Weekly Market Report For 1 – 5 September 2025


Overview




- ❖ US labor market shows further signs of weakness.
- ❖ Investors expect the Fed to cut interest rates at its September 17 meeting.
- ❖ Google and Broadcom led tech stocks higher.
- ❖ Anutin becomes a new Prime Minister, “Khon La Krueng” set to return.
- ❖ Japan PM resigns after bruising election losses.

Market Brief




 **Last week, US shares closed mixed** due to concerns over sluggish economy, while weak jobs data lifts Fed cut odds. Tech shares gained, led by Google and Broadcom. Nasdaq +1.1% S&P 500 +0.3%, while Dow Jones -0.3%

 **US labor market is showing signs of strain**

- o Nonfarm payrolls increased by only 22,000 jobs in August, less than the 75,000 expected by economists. The unemployment rate moved up to 4.3% from 4.2%. Revised data also showed that employment fell by 13,000 jobs in June, the first net loss since 2020.
- o Demand for new hires was lower than the supply of available workers for the first time since 2021, a sign of slowing job market.
- o ADP reported that private businesses added 54,000 jobs in August 2025, below forecasts, and lower than 106,000 in July. Leisure and hospitality and construction performed well despite a broader slowdown in hiring.
- o Weak employment data strengthens Fed rate cut expectations. The 2-year Treasury yield fell below 3.5% while the 10-year yield dived 15bps to 4.07%.
- o Investors see an almost 100% chance of a 0.25% rate cut in September 17 meeting. Traders have also priced in about three cuts of 25bps per meeting. Some traders have expected that the Fed will cut by 50bps later this month. The key data will be the US consumer prices index for August, which will be released on Thursday September 11.
- o Gold surged to USD3,500 an ounce or rose by more than 4% from a week earlier on Fed rate cut bets.


 **Tech shares rallied led by Google and Broadcom**


- o Google: Shares gain 11% as investors viewed the result of Google’s antitrust case as broadly favorable to the tech giant. The company will not have to divest its Chrome browser and will still be able to pay Apple the billions of dollars it does to be the default search engine on iPhones.
- o Broadcom: Shares jumped more than 9% after the chipmaker unveiled a blockbuster USD10 billion AI chip order from a new customer. The company projected fourth-quarter earnings surpassing analysts’ expectations. A report said OpenAI is set to produce its first AI chip in partnership with Broadcom. Shares of Nvidia fell 2.7% as OpenAI has so far used chips from Nvidia.


 **Ruling on Trump tariffs raises concerns** after a federal appeals court upheld an earlier ruling by the Court of International Trade that found the tariffs’ legal basis under the International Emergency Economic Powers Act (IEEPA) wasn’t valid. The federal government would have to return about half the revenue it’s collected from tariffs if the Supreme Court upholds a ruling that reciprocal duties are illegal, which would be terrible for the Treasury. Bond Yield rose at the beginning of the week, but weak jobs data pushed yield lower at the end of the week.


 **Shanghai Cooperation Organization: SCO**

- o The annual SCO summit attended by top leaders of non-Western countries e.g. China, India, Russia, and North Korea, with signals of a closer relationship among its members at a time when the world has been roiled by U.S. trade policies and tariffs.
- o Beijing has used the summit as an opportunity to mend ties with New Delhi. Modi, visiting China for the first time in seven years.
- o The summit reflects China vision of a new international order with strategic cooperation and commitments to strengthen artificial intelligence cooperation.

 **China shares dropped** as the government seeks to instill stability in its capital markets. China’s regulators are considering new measures to curb speculation. Regulators also instructed banks to probe illegal credit fund use for stock investment, told brokerages not to aggressively market 24-hour account-opening services, and warned social media platforms against hyping bullish content or stock-related milestones.

 **SET Index surged 28 points (+2.3%)** as market react positively to new PM, Anutin Charnvirakul, and key minister nomination, as well as government plans to bring back the “Khon La Krueng” co-payment scheme. Local Institutions net bought THB3.9 billion and foreign investors net bought THB0.7 billion.

 **Japan's Prime Minister Shigeru Ishiba has announced his resignation** after his government has lost its majority in both house of parliament. Concern over political turmoil led to a sell-off in the yen and Japanese government bonds. The LDP vote is expected in early October.


 **WTI -3.3% last week** as weak US jobs data weigh on demand outlook, while OPEC+ decided to add 137,000 barrels a day in October. Bloomberg expected the OPEC+ decision will sent oil prices below USD60 per barrel.

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