

## Weekly Market Report For 25 – 29 August 2025


### Overview




- ❖ US stocks slide led by tech shares.
- ❖ Nvidia earnings beat, but share price drop.
- ❖ The US Court of Appeals ruled that Trump had exceeded his authority under the IEEPA.
- ❖ China A-Shares gain amid optimism on economic stimulus measures.
- ❖ Thailand's Constitutional Court removed Prime Minister from office.


### Market Brief



 **US stocks fell slightly last week.** Dow Jones and Nasdaq dropped by 0.2%, while S&P 500 slid 0.1% on tech pullback

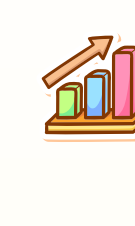
 **Nvidia**

- o Nvidia reported revenue of USD46.7 billion, up 56% YoY and exceeding expectations. However, share price dropped as investors had extremely high expectations for Nvidia's data center division which narrowly missed Wall Street forecasts.
- o The company is cautiously optimistic about growth in the upcoming quarter, excluding potential China-related sales, which would be a positive factor if achieved.
- o The company's shares dipped more than 3% on Friday 29<sup>th</sup> August as the Wall Street Journal reported that Alibaba is testing its own chip for AI inferencing, potentially challenging Nvidia's position in the Chinese market. Alibaba shares jumped 13%, while Nvidia shares dipped.


 **US**

- o The US economy grew at an annual rate of 3.3% in 2Q25, revised slightly higher from the first estimate of 3%, while personal spending increased at the fastest rate in 4 months, reflecting strong demand.
- o Core PCE rose by 2.9% YoY in July, the highest since February and went up from the previous month, due to higher prices for services which were lifted by financial services and spending on recreational services.
- o Despite tariffs are expected to cause a temporary rise in inflation, markets expect the Fed to lower its benchmark interest rate in September FOMC meeting as labor market data continue weakening.


 **Concerns over Fed independence has risen after President Trump's attempt to fire Fed governor Lisa Cook.** Cook has asked the court to issue an emergency order that would block Trump's firing of her and enable her to remain on the seven-member board of governors. Rising concerns about Fed independence and expectation on a rate cut in September sent the dollar lower. Gold price continues to rally and gains more than 4.5% in August, the biggest monthly increases since April.


 **The United States Court of Appeals for the Federal Circuit ruled 7-4 that Trump had exceeded his authority under the IEEPA\*, but allowed the tariffs to remain in effect until October 14, 2025, to provide time for an appeal to the Supreme Court.**

(\*IEEPA: The International Emergency Economic Powers Act gives the president broad powers to regulate various economic transactions upon declaring a national emergency.)

 **US tariffs**

- o **Europe:** The European Commission proposed new legislation to eliminate tariffs on US industrial goods, a move that should unlock a reduction in US tariffs on European cars to 15% from 27.5%.
- o **India:** A 50% tariffs on Indian goods took effect and hurt labor-intensive industries like textiles, shoes and jewelry. New Delhi comes up with measures for supporting sectors that are likely to be hit hard by higher tariffs.
- o Indian Prime Minister Narendra Modi met China's president, Xi Jinping at the end of the week to deepen mutual trust and confirm their partnership. Both leaders also met Russian President Vladimir Putin on Sunday in a summit hosted by China. A rare gathering of the three global leaders has been closely monitor by the US as India continues to buy Russian oil.

 **China shares keep upward momentum,** especially China A-shares, led by semiconductor stocks as the Chinese government has prioritized building a homegrown semiconductor ecosystem to lessen dependence on foreign technology amid ongoing trade conflicts and sanctions. In addition, China equity market saw fund inflow from deposit and local bond market.


 **SET Index fell by 16.78 points or -1.3% on profit taking by foreign investors, as well as political uncertainty.** The Constitutional Court voted 6:3 to remove Prime Minister from the office on Friday 29<sup>th</sup> August, that sent the SET Index down more than 13 points. Attention has now shifted to the next government.

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