



Weekly Market Report For 22 – 26 September 2025


Overview




- ❖ Fed is showing signs of slowing the pace of interest rate cuts due to strong US economic data.
- ❖ Fed Chair Jerome Powell's statements reflect continued uncertainty regarding the direction of US interest rates.
- ❖ US announced a new wave of tariffs.
- ❖ China pumped nearly CNY300 billion of liquidity into markets.
- ❖ Trump's H-1B visa fee hike hit Indian IT stocks.
- ❖ Fitch Ratings cut Thailand ratings outlook from "Stable" to "Negative".


Market Brief




 **US shares fell slightly last week** after posting gains for three consecutive weeks. The pullback was largely driven by strong economic data, which raised concerns among investors that the Federal Reserve may slow the pace of interest rate cuts.


 **US 2Q25 GDP is revised up to 3.8% YoY from 3.3%**

- o Consumer spending increased 2.5%, revised up from 1.7%,
- o Business investment expanded by 7.3% as investment in intellectual property products saw its strongest growth since 1999 and investment in data centers supporting AI infrastructure reached a record high of over USD40 billion.
- o Headline PCE increased 2.7% YoY and core PCE went up 2.9% YoY in August. Figures came in line with expectations but remain above the central bank's target of 2%.
- o Household spending continued to expand for the third consecutive month in August, suggesting that consumer spending will continue to support growth amid persistent inflationary pressures.


 **Fed Chair Jerome Powell's emphasized a cautious approach to future cuts.** He noted that downside risks to employment have increased, while inflation risks remain tilted to the upside, making the Fed's interest rate decisions more complicated.

 **AI continues to support US tech shares**


- o Nvidia is investing up to USD100 billion in a strategic partnership with OpenAI. The deal includes building massive data centers powered by approximately 5 million Nvidia chips, which is equivalent to Nvidia's annual chip shipment volume. As part of the deal, Nvidia will receive equity in OpenAI. The announcement led to a 4% increase in Nvidia's stock price.
- o Intel's stock rose following reports that the company is in early-stage discussions with Apple regarding a potential investment. The talks are not yet finalized, and no formal agreement has been reached. Just days before the Apple news, Nvidia announced a USD5 billion investment in Intel, acquiring approximately 4% of Intel's shares. The partnership focuses on joint development of chips for PCs and data centers, leveraging Intel's manufacturing capabilities and Nvidia's AI expertise.

 **New set of US tariffs**


- o 100% tariff on patented drugs, 25% tariff on trucks, 50% tariff on sinks, and 30% tariff on certain types of furniture.
- o Analysts believe the impact of the new US tariffs on pharmaceutical companies will be limited due to exemptions for firms with manufacturing operations in the US. Many major drug companies already have production facilities in the US and have announced additional investments.

 **China**


- o Alibaba's stock surged to its highest level in nearly four years following the announcement of a USD53 billion investment in AI. The company also revealed a strategic partnership with Nvidia, integrating Nvidia's AI development tools into Alibaba Cloud.
- o China's industrial profits rose 20.4% YoY in August, significantly outperforming Bloomberg's forecast of a 1.6% contraction. The strong growth reflects the positive impact of government measures aimed at addressing overcapacity and intense market competition. For the first eight months of 2025, industrial profits increased 0.9%, reversing earlier expectations of a decline. However, uncertainty remains in sectors like mining and utilities, which are still vulnerable to domestic demand fluctuations and U.S. import tariff risks.
- o The PBOC injected nearly CNY300 billion into the banking system through 14-day reverse repo operations, marking the first such injection in over 8 months. This move is aimed at boosting liquidity ahead of the Golden Week holiday.

 **India**

- o President Donald Trump signed an executive order raising the H-1B visa application fee to USD100,000. The move triggered a sharp decline in Indian IT stocks, as 70% of H-1B visa holders are Indian nationals, and many Indian tech firms rely heavily on US revenue. The new fee applies only to new visa applications starting February 2026 and does not affect current visa holders. The Indian government has announced plans to engage in diplomatic talks with the US to address the issue.

 **Thailand**

- o SET Index fell by 1.1% on profit taking
- o Exports rose 5.8% YoY in August, slowing down as expected, reflecting the impact of newly implemented US tariff measures.
- o Fitch Ratings has revised the outlook on Thailand's Long-Term Foreign-Currency Issuer Default Rating (IDR) from "Stable" to "Negative", citing rising public debt, high budget deficits, slow economic recovery, and ongoing political instability. The country's rating has maintained at BBB+ on strong foreign currency reserves, consistent current account surplus, and low government interest burden.


 **WTI crude oil prices increased 5.3% WoW** after Ukraine launched a large-scale drone operation targeting Russian oil refineries and energy facilities, disrupting fuel exports.

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