



Weekly Market Report For 27 – 31 October 2025

Overview



- ✿ Global stock markets gained as the new US-China trade deal is in reach.
- ✿ Oil prices increased as OPEC+ plan to pause production increase in 1Q26.
- ✿ Fed lowered its policy rates as expected, but may delay the upcoming rate cut.
- ✿ ECB and BOJ kept their policy rates unchanged as expected.
- ✿ Strong big tech earnings boost market sentiment.

Market Brief



Global shares rallied last week. S&P 500 +0.7% and Nasdaq +2.2%, boosted by US-China trade talks and better-than-expected corporate earnings. The Federal Reserve cut interest rates by 0.25%, as expected. However, the Fed maintained a cautious tone, leading to a decline in market expectations for further rate cuts.



Oil prices rose. OPEC+ member countries agreed to increase oil production by 137,000 barrels per day starting December, similar adjustments made in October and November, but the group plans to pause further production increases due to concerns about oversupply in the oil market.



US-China trade talks

- o Trump and Xi Jinping met in South Korea, aiming to ease trade tensions between the US and China.
- o Trump announced a reduction in tariffs on Chinese imports from 57% to 47%, while China agreed to resume purchases of US farm products and suspend new export controls on rare earth minerals for one year. Tariffs on fentanyl-related products were halved from 20% to 10%, following China's pledge to crack down on fentanyl production. The agreement includes a yearly review mechanism.
- o No concrete progress was made on TikTok's US ownership issue and Nvidia's advanced AI chips remain restricted.



Fed, ECB and BOJ meetings

- o **US Federal Reserve:** The Federal Reserve voted 10-2 to lower its benchmark interest rate to a range of 3.75%-4.0%, as expected. The central bank also announced it would end its Quantitative Tightening (QT) program starting December 1. Despite the rate cut, Fed Chair Jerome Powell emphasized a cautious tone, stating that another rate cut in December is "not a foregone conclusion". This led to a drop in market expectations for a December rate cut, with probabilities falling from 92% to around 69%. The Fed remains in a rate-cutting cycle, but Powell stressed a "data-dependent" approach, especially due to the ongoing US government shutdown, which has delayed key economic report and Fed officials are divided.
- o **European Central Bank (ECB):** The ECB kept its deposit facility rate at 2% for the third consecutive meeting as inflation nears the central bank's target and economy grows. ECB President Christine Lagarde emphasized a data-dependent, meeting-by-meeting approach to future monetary policy decisions.
- o **Bank of Japan (BOJ):** The BOJ kept its interest rate at 0.5%, as expected. Governor Kazuo Ueda stated that the BOJ would wait for more data on wage trends and economic momentum before adjusting policy further. Goldman Sachs expects the BOJ to raise rates in January 2026.



- 83% of S&P 500 companies had reported 3Q25 earnings beat consensus estimates, with earnings growth rate of 10.7% YoY. Tech giants were major contributors to this growth.**
- o Alphabet reported record quarterly revenue and earnings, driven by strong demand for Google Cloud and Generative AI services.
 - o Amazon cloud services revenue rose 20%, the fastest pace in nearly 3 years.
 - o Meta missed earnings expectations due to a one-time tax charge, and the company raised its capital expenditure forecast. Investors are concerned about the lack of clear returns from Meta's aggressive AI investments.

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