NEWSLETTER – SEPTEMBER 2025

Period covered: 01 – 30 September 2025

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At a Glance

Region/Asset	Key September highlights
United States (Equities & Macro)	Fed cut rates by 25 bps to **4.00%-4.25%** on Sep 17; S&P 500 posted multiple record highs through the month, surpassing 6,700 level despite some late-month volatility. August CPI rose **0.4% m/m** and **2.9% y/y**; August jobs report showed just 22,000 payroll additions with unemployment at **4.3%**, signaling labor market softness. Sources: Federal Reserve; BLS CPI & Employment Situation (links in Sources).
United Kingdom	BoE held Bank Rate at **4.00%** on Sep 18 (7-2 vote) after cutting in August; UK CPI remained elevated at **3.8% y/y** in August, well above the 2% target due to food and service price pressures.
United Arab Emirates	UAE markets (ADX/DFM) tracked global trends and U.S. rate expectations given the AED's USD peg; mixed performance through September amid oil price weakness.
Türkiye	CBRT cut policy rate by 250 bps to **40.5%** on Sep 11, continuing its cautious easing path as inflation declined to around 35%.
Commodities	Brent crude averaged around **$67-68/bbl** through September on demand concerns and supply increases; Gold reached new highs above **$3,800/oz** by month-end on safe-haven demand.
Crypto	Bitcoin posted its best September in 13 years, gaining ~8% and trading near **$114k-119k** by month-end, buoyed by institutional inflows and ETF demand.

See the "Sources & Links" section for direct references.

1) Global Markets – Key Highlights

U.S.

- Fed delivered widely anticipated 25 bps rate cut on Sep 17; dot plot signaled two more cuts likely by year-end.
- S&P 500 surpassed 6,700 for first time; markets shrugged off government shutdown concerns late in month.
- Labor market showed continued weakening with ADP reporting job losses; official August payrolls added only 22,000.

UK

- BoE held rates steady at 4.00% despite two members voting for a cut; focus remains on sticky services inflation.
- Inflation remained at 3.8% in August, with food prices and administered prices driving persistence.
- Next MPC meeting on Nov 6 closely watched for potential further easing.

UAE (Dubai & Abu Dhabi)

- Markets moved in tandem with U.S. rate expectations due to the currency peg; oil price weakness weighed on sentiment.
- PMI data and corporate earnings remained mixed through the month.

Türkiye

- CBRT continued gradual easing with 250 bps cut to 40.5%; inflation declining from 35% peak but remains well above target.
- Policy remains data-dependent with focus on disinflation path.

2) Macroeconomic Highlights (Sep releases)

Region	Data	Takeaway
U.S.	August CPI: **+0.4% m/m**, **+2.9% y/y**; Core CPI +0.3% m/m, +3.1% y/y	Inflation ticked higher on food, shelter, and tariff-sensitive goods; Fed proceeded with cut despite uptick, prioritizing labor market weakness.
U.S.	August Employment: **+22,000** payrolls; Unemployment **4.3%**	Weakest job growth in months; labor market cooling reinforced Fed's pivot to rate cuts. ADP later showed private sector job losses in September.
U.S.	Fed Rate Decision (Sep 17): Cut by 25 bps to **4.00%-4.25%**	First cut in 9 months; dot plot suggests two more 25 bps cuts likely by December. Stephen Miran dissented, favoring 50 bps cut.
UK	August CPI: **3.8% y/y** (CPIH 4.1%); Services inflation 4.7%	Inflation remained sticky above target; BoE held rates but remains cautious about persistent price pressures.
UAE	PMI & market activity	Mixed performance across DFM/ADX; markets tracked oil prices and U.S. policy expectations.
Türkiye	CBRT Rate Decision (Sep 11): Cut by 250 bps to **40.5%**	Larger-than-expected cut as inflation declined; central bank maintains data-dependent stance on further easing.

3) Asset-Class Trends (Investing & Trading Angle)

Equities

- **U.S.** indices reached new highs; S&P 500 broke above 6,700, Nasdaq gained on tech strength. September ended up ~3.5% for the month.
- **UK** markets moved cautiously amid inflation concerns and fiscal uncertainty ahead of November budget.
- **Gulf** equities tracked oil weakness and global risk sentiment.

Fixed Income

- U.S. yields fell on rate cut delivery; markets priced high probability of two more cuts in 2025.
- Gilts saw modest rally on BoE holding pattern but services inflation kept long-end pressured.

FX & Crypto

- **USD** weakened through September on Fed easing; dollar index down ~10% YTD, marking worst year since 2003.
- **Bitcoin** posted best September in 13 years (+8%), trading $114k-119k range on institutional demand and ETF inflows exceeding $150B.

Commodities

- **Brent crude** averaged $67-68/bbl through September on demand concerns and OPEC+ supply increases.
- **Gold** reached new record highs above $3,800/oz by month-end, up 25%+ YTD on inflation hedging and safe-haven flows.

Takeaways for positioning

- Monitor Fed's data-dependent approach; two more cuts priced for 2025 but inflation risks remain.
- Quality focus in equities remains prudent; valuations elevated in some segments (especially AI/tech).
- Gold's momentum continues on multiple drivers; Bitcoin institutional adoption trend accelerating.

4) Long-Term Trends Shaping the Outlook

- **AI & productivity/"capex super-cycle"** – ongoing private & public investment in compute infrastructure; questions emerging about AI trade valuations and circular relationships.
- **Energy system transition & security** – policy & capex re-routing across oil & gas and renewables; oil demand showing signs of softening.
- **Demographics & labor supply** – aging workforces and participation trends influencing neutral rates and Fed policy considerations.
- **Geopolitics & trade** – tariffs continue to filter through to prices; Ukraine-Russia tensions and Middle East dynamics maintain risk premium in markets.
- **Institutional crypto adoption** – accelerating acceptance of Bitcoin as treasury asset and inflation hedge; spot Bitcoin ETFs surpassing $150B in assets.

See BlackRock/J.P. Morgan sources in "Sources & Links".

5) Central-Bank Decisions/Signals (focus: US, UK, UAE, Türkiye)

Bank	Decision/Signal	Date	Notes
Federal Reserve (U.S.)	Cut rates by 25 bps to **4.00%-4.25%**; signaled two more cuts likely by year-end.	Sep 17	11-1 vote (Miran dissented for 50 bps); dot plot shows median 3.5%-3.75% by end-2025. Next meeting: Oct-Nov.
Bank of England (UK)	Held Bank Rate at **4.00%** (7-2 vote).	Sep 18	Two members favored cut to 3.75%; focus on sticky services inflation and upcoming budget. Next meeting: Nov 6.
CBUAE (UAE)	Base rate unchanged; tracks Fed policy due to AED-USD peg.	–	Last adjustment aligned with Fed's prior decision; next move likely follows October/November FOMC.
CBRT (Türkiye)	Cut policy rate by 250 bps to **40.5%**; larger than expected cut as inflation declines.	Sep 11	Inflation around 35%; bank maintains cautious, data-driven easing stance. Next meeting: October.

6) High-Impact Events Scheduled – *October 2025*

Date	Event	Why it matters
Oct 3 (08:30 ET)	U.S. Employment Situation (Sep)	Key labor market read; government shutdown may delay/disrupt release.
Oct 15 (08:30 ET)	U.S. CPI (Sep)	Critical inflation gauge ahead of potential further Fed easing.
Oct 29-30	FOMC Meeting	Decision on second potential rate cut; markets pricing ~70% probability.
Nov 6	BoE MPC	Key decision point after September hold; budget implications in focus.
Early Oct	CBRT MPC (Türkiye)	Further easing potential as inflation continues to decline.

Dates per official calendars; U.S. government shutdown may affect some data releases.

7) Other Notable Trends/Highlights

- **U.S. Government Shutdown** began Oct 1, creating uncertainty around economic data releases and adding modest market volatility.
- **Labor Market Weakness** increasingly evident; layoffs through September 2025 highest since 2020 at nearly 950,000.
- **Dollar Weakness** accelerated with Fed easing; DXY down ~10% YTD, potentially supporting U.S. export competitiveness.
- **AI Trade Scrutiny** growing; concerns about circular relationships between AI companies and valuations led to some tech pullbacks.
- **Crypto Momentum** broadened significantly; Bitcoin's best September performance in 13 years signals potential Q4 strength historically.

Sources & Links (selection)

- U.S. CPI (August 2025) – BLS News Release: bls.gov/news.release/cpi.nr0.htm (https://www.bls.gov/news.release/cpi.nr0.htm)
- U.S. Employment Situation (August 2025) – BLS: bls.gov/news.release/empsit.nr0.htm (https://www.bls.gov/news.release/empsit.nr0.htm)
- FOMC Statement (Sep 17, 2025) – Federal Reserve: federalreserve.gov/newsevents/pressreleases/monetary20250917a.htm (https://www.federalreserve.gov/newsevents/pressreleases/monetary20250917a.htm)
- Fed rate decision coverage – CNBC, Fidelity, Charles Schwab (Sep 17, 2025).
- BoE decision (Sep 18, 2025) – Bank of England: bankofengland.co.uk/.../september-2025 (https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2025/september-2025)
- UK CPI August 2025 – ONS: ons.gov.uk/.../august2025 (https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/august2025)
- CBRT rate decision – TCMB/Reuters coverage (Sep 11, 2025): tcmb.gov.tr (https://www.tcmb.gov.tr)
- Brent oil prices – IEA Oil Market Report September 2025; Trading Economics.
- Gold prices – Fortune, Yahoo Finance (Sep 2025).
- Bitcoin performance – CoinGlass, Cointelegraph, Yahoo Finance (Sep 2025).
- Stock market coverage – CNBC, S&P Dow Jones Indices (Sep 2025).
- Long-term forces – BlackRock "Megaforces" / J.P. Morgan AM Guide-to-the-Markets.

This newsletter summarizes public information from the sources above and other reputable providers (J.P. Morgan AM, BlackRock, Fidelity, Schwab, Vanguard, IEA, BLS, Federal Reserve, Bank of England, CBRT). See links for details.

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