NEWSLETTER – OCTOBER 2025

Period covered: 01 – 30 October 2025

Six Arrows Consultancy
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At a Glance

Region/Asset	Key October highlights
United States (Equities & Macro)	The Federal Reserve cut the policy target by **25 bps** at the FOMC on **29 October 2025** to a target range of **4.00%–4.25%**, citing weakening labour-market signals and the need to support the economy. Equity markets initially rallied on the cut; the S&P 500 closed **~6,822** on 30 Oct (month-end). U.S. inflation readings for September showed the CPI rose **0.3% m/m** (and **3.0% y/y**) when published later in October; official monthly employment data was disrupted by a U.S. federal government shutdown, increasing markets' reliance on private payroll indicators (ADP reported a private-sector payroll decline in September). See Sources.
United Kingdom	UK CPI for September remained elevated at **3.8% y/y** (published 22 Oct), unchanged from August — a reminder that services and some goods prices remain sticky while markets await the BoE's next moves.
United Arab Emirates	ADX and DFM tracked global risk sentiment and regional flows; ADX finished the month slightly higher and DFM gained through October as local corporate results and regional liquidity supported markets. Currency dynamics remain anchored to the USD peg (CBUAE follows Fed cues).
Türkiye	CBRT continued easing and cut the one-week repo to **39.5%** (October decision), continuing the disinflation-aware easing cycle that began earlier in Q3.
Commodities	Brent crude traded around **$64–$66 /bbl** through late October as demand concerns offset supply discipline; gold continued to trade at elevated levels and briefly traded above **$4,000/oz** on the back of safe-haven flows and lower real rates.
Crypto	Bitcoin traded in a strong range through October, closing the month around **$108k–110k**, with volumes supported by continued institutional flows.

Primary sources: Federal Reserve, BLS, ONS, TCMB, major market-data providers (links in Sources & Links).

1) Global Markets – Key Highlights

U.S.

- FOMC implemented a **25 bps** cut at its 29 Oct meeting and signalled a data-dependent path for further easing; the statement emphasised the importance of labour and inflation data. :contentReference[oaicite:0]{index=0}
- Markets priced the cut while reacting to the disruption of some official data releases during the U.S. federal government shutdown (increasing reliance on private indicators such as ADP). :contentReference[oaicite:1]{index=1}
- Equities: S&P 500 traded at high levels through October; the index closed around **6,822** on 30 Oct. :contentReference[oaicite:2]{index=2}

UK

- ONS published September CPI at **3.8% y/y** (22 Oct), unchanged from August — a signal that services inflation remains persistent in the near term. :contentReference[oaicite:3]{index=3}
- BoE remains watchful; markets continue to debate timing and scale of any easing given the stickiness in services inflation.

UAE (Dubai & Abu Dhabi)

- Local bourses benefited from regional liquidity and corporate earnings updates; ADX and DFM posted modest gains during October as risk-on flows returned after early-month uncertainty. (regional market coverage: local exchanges & research houses)
- Markets continue to track U.S. rate expectations because of the AED-USD peg and CBUAE's policy alignment with the Fed.

Türkiye

- CBRT lowered the one-week repo rate to **39.5%** in October, continuing its disinflation-steered easing campaign. Markets continue to watch real-rate improvements and lira dynamics. :contentReference[oaicite:4]{index=4}
- Inflation remains above target but has been trending downward from earlier peaks; policy remains data-dependent.

2) Macroeconomic Highlights (Oct releases & Oct impacts)

Region	Data	Takeaway
U.S.	September CPI (published Oct): **+0.3% m/m**, **+3.0% y/y**.	Inflation ticked up slightly year-on-year in September; the Fed incorporated the latest readings as it cut rates on 29 Oct to support a cooling labour market. :contentReference[oaicite:5]{index=5}
U.S.	Employment data: Official BLS monthly jobs release timing was disrupted by the federal government shutdown (early Oct); private ADP reported a **-32,000** private payroll change for September. Markets used private indicators while some official prints were delayed. :contentReference[oaicite:6]{index=6}	Weaker payroll signals reinforced the Fed's decision to cut in late October and increased market sensitivity to upcoming data once releases resume.
U.S.	FOMC Decision (29 Oct 2025): **Cut 25 bps** to 4.00%–4.25%.	First move in a series of potential cuts priced by markets; statement emphasised uncertainties due to missing data during the shutdown. :contentReference[oaicite:7]{index=7}
UK	September CPI: **3.8% y/y** (published 22 Oct).	Inflation remained sticky; BoE will weigh services inflation and wage dynamics before altering policy. :contentReference[oaicite:8]{index=8}
Türkiye	CBRT (Oct): policy easing continued — one-week repo reduced to **39.5%**.	Ease is gradual and data-dependent as inflation declines from its earlier highs. :contentReference[oaicite:9]{index=9}

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

Equities

- **U.S.** equities rallied into the Fed cut; S&P 500 remained at elevated levels (month-end close ~**6,822** on 30 Oct). :contentReference[oaicite:10]{index=10}
- **UK** markets cautious given persistent CPI; selective value and income names attracted interest.
- **Gulf** equities benefited from local liquidity and positive corporate results; ADX & DFM posted modest October gains. :contentReference[oaicite:11]{index=11}

Fixed Income

- U.S. yields fell after the October cut and on the back of the disrupted data flow; markets price further easing subject to incoming data.
- Emerging-market local-currency debt saw mixed flows as rate cuts in developed markets contrasted with still-high policy rates in parts of EM (e.g., Türkiye moved to ease slowly).

FX & Crypto

- **USD** weakened around the Fed cut and lower near-term real rates expectations; regional FX remained anchored to policy pegs where applicable.
- **Bitcoin** traded around **$108k–110k** at month-end; institutional interest remained a dominant structural factor. :contentReference[oaicite:12]{index=12}

Commodities

- **Brent crude** averaged around **$64–$66 /bbl** in late October as demand concerns offset supply discipline. :contentReference[oaicite:13]{index=13}
- **Gold** traded above **$4,000/oz** intraday on safe-haven demand and lower real yields; futures showed levels around **$4,016/oz** on 30 Oct. :contentReference[oaicite:14]{index=14}

Takeaways for positioning

- Remain data-aware: Fed has cut but emphasised data dependency — positioning should be flexible and monitor incoming inflation and payroll prints once normal data flows resume.
- Quality and income remain preferred for core equity allocations; consider selective cyclicals where valuations and earnings momentum align.
- Gold and selected real assets remain useful hedges versus policy uncertainty and lower real rates; crypto remains volatile — suitable only for risk-tolerant allocations.

4) Long-Term Trends Shaping the Outlook

- **AI & productivity** – corporate capex remains biased towards AI infrastructure; the valuation debate is ongoing as earnings catch up with hype.
- **Energy transition & security** – continued investment into renewables but oil remains a key swing for regional economies and markets.
- **Demographics & labour** – labour-market softness in the U.S. is weighing on neutral-rate expectations and central-bank strategy.
- **Geopolitics** – Middle East developments and global trade dynamics maintain a risk premium for some asset classes.
- **Institutional adoption of crypto** – continues to be a structural story, but timing and volatility mean it should be allocated cautiously.

See BlackRock, J.P. Morgan and other AM house research for deeper thematic reads (links in Sources).

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

Bank	Decision/Signal	Date	Notes
Federal Reserve (U.S.)	Cut policy by **25 bps** to **4.00%–4.25%**; statement highlighted data disruptions and emphasised data-dependence going forward.	29 Oct 2025	Voting: majority in favour; some dissent noted for a larger cut. Markets now watch incoming inflation and employment prints closely. :contentReference[oaicite:15]{index=15}
Bank of England (UK)	No policy change in October (next scheduled decision in November); BoE monitoring sticky services inflation and wage dynamics.	–	September CPI (3.8%) keeps the BoE cautious before any easing action. :contentReference[oaicite:16]{index=16}
CBUAE (UAE)	Operational stance unchanged; CBUAE keeps alignment with Fed given AED-USD peg, monitoring implications of Fed easing for domestic markets.	–	UAE policy communication remains oriented to preserve peg stability and financial-system resilience.
CBRT (Türkiye)	Cut the one-week repo to **39.5%** (October meeting), continuing the easing cycle begun earlier in Q3 as inflation trends lower from peak levels.	23 Oct 2025	Policy remains data-dependent; markets watch real-rate trajectory versus lira stability. :contentReference[oaicite:17]{index=17}

6) High-Impact Events Scheduled – *November 2025 & near-term*

Date	Event	Why it matters
Nov 7 (08:30 ET)	U.S. Employment Situation (Oct) – scheduled	Key labour-market read — markets sensitive after the data disruptions in early October.
Nov 19 (08:30 ET)	U.S. CPI (Oct)	Next inflation gauge that will shape Fed's subsequent moves and market pricing.
Nov 06	BoE MPC	Key UK policy decision after September CPI; BoE communication will be critical for gilt and FX markets.
Dec 10-11	IMF/WEO updates & global policy calendar	Global forecasts and policy commentary that can move cross-asset risk sentiment.

Check official release calendars — timing may be affected by local events or operational disruptions.

7) Other Notable Trends/Highlights

- **U.S. data disruptions**: the federal government shutdown in early October delayed or complicated some official releases (jobs and other series), increasing reliance on private indicators and raising short-term policy uncertainty. :contentReference[oaicite:18]{index=18}
- **Fed** used the October cut to provide room as labor data softened and inflation dynamics remained mixed. :contentReference[oaicite:19]{index=19}
- **Gold & Real Assets** found demand as a hedge vs. lower real yields and macro uncertainty; gold futures exceeded $4k intraday during October. :contentReference[oaicite:20]{index=20}
- **Regional markets** (UAE) generally resilient—local liquidity, tourism and corporate earnings stories supported flows into Q4. :contentReference[oaicite:21]{index=21}

Sources & Links (selection)

- Federal Reserve — FOMC statement & press release (29 Oct 2025). :contentReference[oaicite:22]{index=22}
- U.S. CPI (September 2025) — BLS release and PDF summary. :contentReference[oaicite:23]{index=23}
- ADP private payrolls & news on disrupted official releases — Reuters, WSJ coverage (Oct 2025). :contentReference[oaicite:24]{index=24}
- S&P 500 historical/closing levels (30 Oct 2025) — Investing.com / market-data providers. :contentReference[oaicite:25]{index=25}
- Gold & Commodities — Investing.com / GoldPrice / TradingEconomics (Oct 2025). :contentReference[oaicite:26]{index=26}
- Turkey (CBRT) rate decisions — TCMB statements and market coverage (Oct 2025). :contentReference[oaicite:27]{index=27}
- UK CPI (September 2025) — ONS statistical bulletin (22 Oct 2025). :contentReference[oaicite:28]{index=28}
- UAE market updates — local market reports and banks' daily market notes (October 2025). :contentReference[oaicite:29]{index=29}
- Major asset manager thematic research referenced for long-term trends: J.P. Morgan Asset Management, BlackRock, Fidelity, Vanguard (Oct 2025 research notes and guides).

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