NEWSLETTER – AUGUST 2025

Period covered: 01 – 31 August 2025

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At a Glance

Region/Asset	Key August highlights
United States (Equities & Macro)	Stocks rallied late in the month after Chair Powell's *Jackson Hole* remarks hinted a possible rate cut at the September 16–17 FOMC meeting; major indices set/approached records. July CPI rose **0.2% m/m** and **2.7% y/y**; July jobs report showed a softer labor market. Sources: Reuters; BLS CPI & Employment Situation (links in Sources).
United Kingdom	BoE cut Bank Rate by 25 bps to **4.00%** on 7 Aug; UK CPI quickened to **3.8% y/y** in July, driven by services (airfares). FTSE 100 posted record closes mid-month.
United Arab Emirates	ADX/DFM were mixed across August amid oil volatility and earnings; moves tracked U.S. rate expectations given the AED's USD peg.
Türkiye	CBRT held to its disinflation path after a **300 bps** rate cut in July to **43%**; introduced interim inflation targets (24% end-2025, 16% end-2026).
Commodities	Brent hovered in the mid-$60s as demand softened; Gold hovered near record highs around **$3,400/oz** into month-end.
Crypto	Bitcoin printed fresh record highs above **$123k–$124k** in mid-August, buoyed by Fed-cut expectations and policy shifts.

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

1) Global Markets — Key Highlights

U.S.

- Powell's *Jackson Hole* speech boosted odds of a September cut; equities rallied to record/near-record levels thereafter.
- Small-caps outperformed tech late-month as rate-sensitive segments caught a bid.

UK

- FTSE 100 marked multiple record closes mid-August as consumer stocks outperformed and the dollar softened.
- Sterling firmed at times on better activity data and shifting BoE expectations.

UAE (Dubai & Abu Dhabi)

- Indices were mixed through August amid earnings and oil swings; markets tracked U.S. policy expectations due to the USD peg.
- Select large-caps (e.g., real estate) supported Abu Dhabi later in the month; Dubai saw intermittent profit-taking.

Türkiye

- Policy focus remained on disinflation and communication improvements following July's rate cut; FX-protected deposits scheme exit advanced.

2) Macroeconomic Highlights (Aug releases)

Region	Data	Takeaway
U.S.	July CPI: **+0.2% m/m**, **+2.7% y/y**; CPI less food & energy up 0.2% m/m	Inflation trend continued to cool on core shelter & goods; consistent with "cut-watch" into September.
U.S.	July Employment Situation (released Aug 1)	Job growth moderated; markets interpreted as lowering the bar for a September cut.
UK	July CPI: **3.8% y/y** (CPIH 4.2%)	Services, travel and hospitality prices pushed headline up from June; still trending below 2023 peaks.
UAE	PMI & earnings flow	Mixed equity tone across DFM/ADX as investors weighed oil softness and corporate results.
Türkiye	CBRT Inflation Report briefing (Aug 14)	Bank introduced interim targets to reinforce the disinflation path and policy credibility.

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

Equities

- **U.S.** indices rallied after Jackson Hole; breadth improved as small-caps gained.
- **UK** large-caps benefited from consumer & commodity-linked names.
- **Gulf** equities moved with oil prices and U.S. rate expectations.

Fixed Income

- U.S. yields eased on softer data and dovish Fed rhetoric; markets priced high odds of a September cut.
- Gilts rallied on BoE's first cut of the cycle.

FX & Crypto

- **USD** weakened broadly at times in August as cut odds rose; **GBP** firmed intermittently.
- **Bitcoin** notched fresh all-time highs (>$123k–$124k) mid-month on policy and institutional tailwinds.

Commodities

- **Brent crude** drifted to the mid-$60s as demand waned and supply concerns faded.
- **Gold** hovered near record territory around $3,400/oz as safe-haven demand persisted.

Takeaways for positioning

- Maintain diversified beta while watching policy inflection (Fed/BoE/CBRT).
- Consider duration add-backs selectively; favour quality within equities.
- Energy exposures sensitive to oil's demand/supply trajectory; risk-manage.

4) Long-Term Trends Shaping the Outlook

- **AI & productivity/"capex super-cycle"** — ongoing private & public investment in compute, power and infrastructure.
- **Energy system transition & security** — policy & capex re-routing across oil & gas and renewables.
- **Demographics & labour supply** — aging workforces, migration, and participation influence neutral rates.
- **Geopolitics & trade** — tariffs and supply-chain rewiring reshape inflation & investment paths.

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.)	No August meeting; Chair Powell suggested a September cut is possible, data-dependent.	Aug 22 (Jackson Hole)	Markets priced a high probability of a 25 bps cut for Sep 16–17.
Bank of England (UK)	Cut Bank Rate by 25 bps to **4.00%**.	Aug 7	MPC reduced rate; next meeting: Sep 18.
CBUAE (UAE)	Base rate unchanged through August (AED is pegged to USD; policy tracks the Fed).	—	Last move aligned with the Fed's July decision; markets watch Sep FOMC.
CBRT (Türkiye)	After a 300 bps cut to **43%** in July, the bank emphasized a cautious, data-dependent easing path; introduced interim inflation targets.	Aug 14 (Inflation Report briefing)	Next MPC: Sep 11 (calendar).

6) High-Impact Events Scheduled — *September 2025*

Date	Event	Why it matters
Sep 5 (08:30 ET)	U.S. Employment Situation (Aug)	Key read on labour momentum ahead of FOMC.
Sep 11 (08:30 ET)	U.S. CPI (Aug)	Fed's inflation pulse into the Sep meeting.
Sep 16–17	FOMC Meeting	Policy decision & press conference; market-moving.
Sep 18	BoE MPC	Guidance after August's cut; sterling & gilt sensitive.
Sep 11	CBRT MPC (Türkiye)	Step-size for easing and inflation guidance watched closely.

Dates per official calendars; times are local to the issuer (U.S. ET where noted).

7) Other Notable Trends/Highlights

- **Dollar** weakened at points in August on dovish Fed expectations; supported risk assets.
- **Gold** near record; safe-haven flows persisted amid policy uncertainty.
- **Crypto** momentum broadened with new highs; policy and institutional adoption in focus.

Sources & Links (selection)

- U.S. CPI (July 2025) — BLS News Release: bls.gov/news.release/cpi.nr0.htm (https://www.bls.gov/news.release/cpi.nr0.htm)
- U.S. Employment Situation (July 2025) — BLS: bls.gov/news.release/empsit.nr0.htm (https://www.bls.gov/news.release/empsit.nr0.htm)
- FOMC calendar (Sep 16–17, 2025) — Federal Reserve: federalreserve.gov/monetarypolicy/fomccalendars.htm (https://www.federalreserve.gov/monetarypolicy/fomccalendars.htm)
- Powell at Jackson Hole / market reaction — Reuters coverage (Aug 22–25, 2025).
- BoE rate cut to 4.0% (Aug 7, 2025) — Bank of England: bankofengland.co.uk/.../august-2025 (https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2025/august-2025)
- UK CPI July 2025 — ONS: ons.gov.uk/.../july2025 (https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/july2025)
- CBRT interim targets; easing in July — Reuters/CBRT Calendar: tcmb.gov.tr/.../calendar (https://www.tcmb.gov.tr/wps/wcm/connect/en/tcmb+en/main+menu/announcements/calendar)
- UAE markets — Reuters GCC market wraps (Aug 1–28, 2025).
- Brent oil drift lower; EIA outlook — Reuters STEO (Aug 12, 2025).
- Gold near record — Reuters (Aug 28, 2025).
- Bitcoin record highs — Reuters (Aug 14, 2025).
- Long-term forces — BlackRock “Megaforces” / J.P. Morgan AM Guide-to-the-Markets.

This newsletter summarises public information from the sources above and other reputable providers (J.P. Morgan AM, BlackRock, Fidelity, Schwab, Vanguard). See links for details.

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