



Weekly Market Update

Markets danced between resilience and fragility, as strong US growth and AI optimism clashed with inflation stickiness, political volatility in Europe, and speculative surges in China. Central banks now face a delicate balancing act heading into September, with rate cuts, fiscal discipline, and global trade tensions all in play.

US

Q2 GDP revised up to 3.3%, driven by stronger domestic demand and investment.

Core PCE inflation rose to 2.9% YoY, the Fed's preferred gauge, fuelling rate cut debates.

Tech stocks softened, with the "Magnificent 7" declining amid cautious sentiment.

NVIDIA earnings beat expectations, reaffirming AI's dominance in capital flows.

UK

FTSE 100 saw its biggest weekly drop in 5 months, led by sharp declines in bank stocks on tax concerns.

30-year gilt yields surged to 5.64%, highest since 1998, tightening fiscal headroom.

Unemployment projected to hit 5%, with labour market indicators flashing red.

Chancellor Reeves may need to raise as much as £27 billion in Autumn Budget amid stagflation fears.

Europe

France faced political volatility, with a lost confidence vote spiking bond yields.

Eurozone economic sentiment dipped, reflecting caution amid trade and inflation concerns.

ECB monitored trade fallout, especially from US tariff shifts and China tensions.

Germany's Ifo Business Climate Index rose slightly in August due to improved expectations among companies.

Global

In China the CSI 300 surged 3%, driven by retail investors reallocating record household savings.

Chinese property giant, Evergrande delisted (Aug 25), a symbolic marker in the property cleanup, with crisis overhang persisting.

India's Q1 FY26 GDP hit 7.8%, beating expectations despite global tariff headwinds.

Russia-Ukraine tensions escalated, with missile strikes affecting oil markets and investor sentiment.



Performance

Asset Class/Region	Currency				
		Week ending 29 Aug 25	Month to date	YTD 2025	12 Months
Developed Market Equities					
United States	USD	-0.1%	2.0%	10.5%	16.6%
United Kingdom	GBP	-1.4%	1.5%	15.6%	13.3%
Continental Europe	EUR	-2.0%	1.1%	10.7%	6.4%
Japan	JPY	-0.8%	4.5%	12.0%	17.1%
Asia Pacific (ex Japan)	USD	-0.4%	1.5%	18.3%	17.8%
Australia	AUD	0.2%	3.1%	12.3%	15.4%
Global	USD	-0.3%	2.6%	13.8%	16.6%
Emerging markets equities					
Emerging Europe	USD	-3.4%	0.8%	41.3%	31.7%
Emerging Asia	USD	-0.7%	0.7%	17.6%	17.7%
Emerging Latin America	USD	1.1%	8.2%	34.3%	13.2%
BRICs	USD	-1.4%	2.6%	17.3%	19.4%
China	USD	-0.6%	4.9%	29.0%	49.6%
MENA countries	USD	-1.4%	-1.5%	1.8%	3.8%
South Africa	USD	-2.4%	6.7%	39.0%	29.0%
India	USD	-3.6%	-1.9%	1.3%	-6.5%
Global emerging markets	USD	-0.8%	1.3%	19.0%	17.3%
Bonds					
US Treasuries	USD	0.2%	1.0%	4.4%	1.9%
US Treasuries (inflation protected)	USD	0.3%	1.5%	6.2%	4.3%
US Corporate (investment grade)	USD	0.0%	1.0%	5.4%	3.9%
US High Yield	USD	0.4%	1.2%	6.2%	8.1%
UK Gilts	GBP	-0.2%	-1.0%	1.2%	-1.7%
UK Corporate (investment grade)	GBP	-0.1%	-0.5%	3.2%	3.2%
Euro Government Bonds	EUR	-0.2%	-0.4%	-0.2%	1.0%
Euro Corporate (investment grade)	EUR	0.0%	0.0%	2.4%	4.5%
Euro High Yield	EUR	-0.1%	0.0%	4.0%	7.0%
Global Government Bonds	USD	0.1%	1.3%	6.6%	2.3%
Global Bonds	USD	0.1%	1.5%	7.5%	3.7%
Global Convertible Bonds	USD	0.5%	2.6%	15.9%	20.9%
Emerging Market Bonds	USD	0.0%	1.5%	7.8%	7.2%

▲ Performance

Asset Class/Region	Currency				
		Week ending 29 Aug 2025	Month to date	YTD 2025	12 Months
Property					
US Property Securities	USD	1.0%	4.4%	2.8%	−0.3%
Australian Property Securities	AUD	0.5%	4.1%	12.0%	11.9%
Asia Property Securities*	USD	−0.8%	0.8%	18.4%	17.5%
Global Property Securities	USD	0.0%	4.1%	10.4%	5.6%
Currencies					
Euro	USD	−0.2%	2.4%	13.1%	5.6%
UK Pound Sterling	USD	−0.1%	2.2%	7.9%	2.5%
Japanese Yen	USD	−0.1%	2.6%	7.1%	−1.3%
Australian Dollar	USD	0.9%	1.8%	5.8%	−3.8%
South African Rand	USD	−1.1%	3.1%	7.1%	0.8%
Swiss Franc	USD	0.3%	1.6%	13.6%	5.9%
Chinese Yuan	USD	0.5%	1.0%	2.4%	−0.5%
Commodities & Alternatives					
Commodities	USD	0.9%	0.2%	3.8%	6.5%
Agricultural Commodities	USD	0.1%	3.1%	−1.7%	2.5%
Oil	USD	0.6%	−6.1%	−8.7%	−14.8%
Gold	USD	2.3%	4.6%	31.4%	36.5%

* data to 1 August 2025. Source: Bloomberg Finance L.P. Past performance is not indicative of future returns.



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