# Weekly market commentary

Week ending 3 October 2025



Welcome to our weekly market update. Our focus is on providing clear, concise insights into stock and bond market movements and the broader economic landscape.

The views expressed here are subject to change without notice and we can't accept any liability for any loss arising directly or indirectly from any use of it. This is for your information only. It is not a recommendation or advice, if you're unsure about anything please speak to your financial adviser.

## This week's highlights

- Market gains and lower inflation expectations: global equities and bonds rose.
- US Government shutdown: the first for nearly seven years.
- Tech and Trade developments: Asian markets lifted by strong performance.

#### Market review

Global equities and bonds gained this week. Bond yields declined after signals that the Organisation of Petroleum Exporting Countries Plus (OPEC+) may increase oil production at its next meeting, leading to a drop in oil prices and inflation expectations.

In the US, the government entered its first shutdown in nearly seven years – the third during a Trump administration – due to a failure by Republicans and Democrats to agree on a government funding bill. Historically, the S&P 500 has risen during each of the last six US government shutdowns.

As a result of the shutdown, key economic data releases were delayed, including weekly jobless claims and the September non-farm payroll report. Investors instead focused on the Automatic Data Processing (ADP) employment report, which showed a loss of 32,000 private sector jobs in September. This unexpected contraction pushed bond yields lower (meaning prices rose), as markets anticipate further interest rate cuts to support the labour market.

Asian markets were supported by gains in technology stocks and falling global bond yields. SK Hynix and Samsung Electronics performed strongly after signing a letter of intent to supply semiconductor chips for OpenAl's Stargate data centre project. OpenAl was recently valued at \$500 billion following an employee share sale.

On the trade front, President Trump paused plans to impose a 100% tariff on brand-name or patented pharmaceuticals unless the manufacturer builds a plant in the US. This reversal boosted pharmaceutical shares. However, he confirmed new tariffs of 10% on lumber and 25% on kitchen cabinets, vanities, and upholstered furniture.

## Outlook

Markets remain reactive to a mix of economic and geopolitical signals, with recent moves reflecting uncertainty around inflation, growth, and policy direction. While corporate earnings have held up in many regions, investor sentiment has become more cautious. As inflation trends diverge and labour markets evolve, central banks may take increasingly different paths, raising the potential for greater dispersion across asset classes and regions in the period ahead.

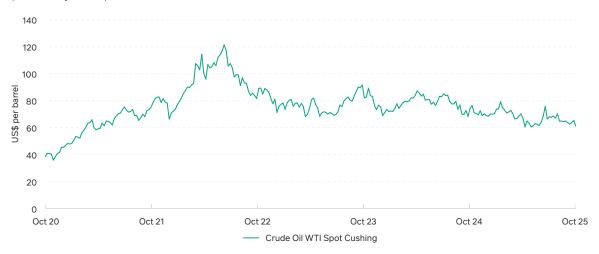
## Chart of the week

#### Oil prices ease as supply outlook improves

Oil prices surged in 2022 amid heightened supply chain concerns, particularly following Russia's full-scale invasion of Ukraine. Since then, prices have moderated as global supply chains have adapted, with countries like the US ramping up production.

This past week, oil prices declined further on signals that the OPEC+ group may increase output at its upcoming meeting. As oil is a key input for households and businesses alike, falling prices have helped ease inflation concerns.

Lower inflation expectations have, in turn, driven global bond yields down, as investors grow more confident that central banks may have greater scope to cut interest rates than previously anticipated.



## What this means for you

No matter what happens on a week-to-week basis, the importance of maintaining a well-diversified long-term investment approach, rather than reacting to short-term market swings continues to be key. By staying committed to carefully considered plans, investors can navigate through periods of volatility and uncertainty.

# Need help?

If you have any questions in relation to this document, please discuss them with your financial adviser.