

Investment research note

Investment research and fund management September 2025

Market Review

International Overview

Limitless

Global equity markets reached an all-time high in September, led by strong performance in the US where the ongoing AI boom continued to drive investor enthusiasm. This rally occurred despite persistent tariff uncertainty and the threat of a US government shutdown. At the company level, Oracle stood out, with its shares surging 30% following the release of its results, as it forecast a sharp increase in future AI-related revenue — marking the biggest one-day gain in nearly three decades. Meanwhile, Apple's market value reached \$3 trillion, making it one of the most valuable companies globally, after reporting double-digit growth in both revenue and profit.

The US Court of Appeals rejected Donald Trump's attempt to overturn a lower court ruling that allowed Lisa Cook to remain a Federal Reserve governor while legal proceedings continue. Trump has since appealed to the Supreme Court, the highest court in the country, seeking her removal from the central bank. On trade, Mexico announced 50% tariffs on Chinese vehicles and other imports, signalling a shift in global trade dynamics.

Market performance (USD)

Index total returns in USD (%)	September	YTD	12-m	Q3
Dow Jones Industrial 30	2,0	10,5	11,5	5,7
S&P 500	3,6	14,8	17,6	8,1
Nasdaq 100	5,5	18,1	23,9	9,0
FTSE 100	1,5	26,6	18,0	5,6
CAC 40	3,1	25,2	12,5	3,4
DAX 30	0,3	36,1	30,1	0,0
Nikkei 225	5,3	22,0	17,0	9,3
Hang Seng	7,9	38,0	31,2	13,5
MSCI World	3,3	17,8	17,7	7,4
MSCI AC World	3,7	18,9	17,8	7,7
MSCI Emerging Markets	7,2	28,2	18,2	10,9
FTSE/JSE All Share	9,3	44,1	28,8	16,3
MSCI SA South Africa	12,2	56,5	37,7	20,6

Source: Refinitiv

The OECD revised its 2025 global growth forecast upward to 3.2% from 2.9%, while maintaining its 2026 forecast at 2.9%. Growth in 2025 remained resilient, but higher tariffs and policy uncertainty are expected to weigh on trade and investment. On the credit ratings front, Moody's and Fitch upgraded Spain's sovereign credit rating, citing improvements in the economy and labour market.

Inflation continued to show signs of persistence. In the US, headline inflation rose to 2.9% year-on-year in

August, up from 2.7% in July. Core CPI, which excludes volatile food and energy prices, also increased to 2.9% year-on-year. Headline PCE inflation, the Federal Reserve's preferred inflation gauge, remained unchanged at 2.9% year-on-year. In the UK, inflation remained unchanged at 3.8% in August, and near the highs last seen in January 2024.

Factory activity presented a mixed picture. In the UK, the S&P Global UK Manufacturing PMI fell to a five-month low of 46.2, remaining below the neutral 50.0 threshold, as declines in output and new orders accelerated. In the US, the Manufacturing PMI slowed to 52.0 in September, indicating continued growth in output and new orders despite ongoing staff reductions and rising input costs. Europe's PMI declined to 48.9, entering contraction territory, driven by weaker new order inflows and a sharper pace of job cuts.

September was an eventful month for global central banks. The US Federal Reserve cut interest rates by 25 basis points to a range of 4.00–4.25%, with one dissenting vote from newly appointed member Stephan Miran, who preferred a larger cut. The Bank of England and European Central Bank held rates steady at 4.0% and 2.0%, respectively, amid persistent UK inflation and global uncertainty. The Bank of Japan maintained its 0.5% rate, citing a moderate economic recovery and rising inflation expectations. In emerging markets, the Central Bank of Brazil left its interest rates unchanged at 15.0%, pointing to a volatile global environment shaped by shifts in US policy and elevated domestic inflation.

Emerging markets outperformed developed markets, with the MSCI EM Index rising 10.9%. The rally was led by China, which gained 20.8% during the quarter on the back of economic stimulus and investor enthusiasm around AI. The Chinese yuan also strengthened. In contrast, Indian equities detracted, falling 6.6% for the quarter.

The Dollar Index, which measures the dollar's performance against major currencies, rose 0.9% during the quarter. However, it remains down 10% year-to-date. In France, long-term yields climbed to a decade high amid concerns over political stability following the prime minister's resignation after a vote of no confidence in September. The French 10-year government bond yield rose from 3.27% to 3.53% over the quarter.

Gold hit another record in September, closing the month at \$3,858 per troy ounce ahead of the US government shutdown, and returned 16.8% for the quarter. Brent crude declined 0.9% to \$67 per barrel, following a significant production increase by OPEC+.



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