

ZITAPLUS

WEEKLY BULLETIN

1 — 5 SEP 2025

ECONOMIC CALENDER

WEEKLY HIGHLIGHTS

TECHNICAL ANALYSIS

FED INDEPENDENCE UNDER FIRE

JUNK BONDS UNDER PRESSURE

FRANCE FACES RENEWED GOVERNMENT CRISIS

MARKET ROUNDUP

Index

- 02 ECONOMIC CALENDAR
- 03 WEEKLY HIGHLIGHTS
- 05 TECHNICAL ANALYSIS
 - 05 EURUSD
 - 05 GOLD
 - 06 BRENT
 - 06 BITCOIN
- 07 JUNK BONDS UNDER PRESSURE
- 08 FRANCE FACES RENEWED GOVERNMENT CRISIS
- 09 CORE PCE PRICE INDEX
- 10 GERMANY'S INFLATION PICKS UP STEAM
- 11 CAN TRUMP REDEFINE PRESIDENTIAL POWER?
- 12 MARKET ROUNDUP
- 13 THE WEEK AHEAD

TIME	CUR.	EVENT	FORECAST	PREVIOUS
MONDAY, SEPTEMBER 1				
ALL DAY		United States - Labor Day		
ALL DAY		Canada - Labor Day		
TUESDAY, SEPTEMBER 2				
12:00		CPI (YoY) (Aug)	2.0%	2.0%
16:45		S&P Global Manufacturing PMI (Aug)	53.3	49.8
17:00		ISM Manufacturing PMI (Aug)	48.9	48.0
17:00		ISM Manufacturing Prices (Aug)	65.1	64.8
WEDNESDAY, SEPTEMBER 3				
17:00		JOLTS Job Openings (Jul)	7.240M	7.437M
THURSDAY, SEPTEMBER 4				
15:15		ADP Nonfarm Employment Change (Aug)	71K	104K
15:30		Initial Jobless Claims	229K	229K
16:45		S&P Global Services PMI (Aug)	55.4	55.4
17:00		ISM Non-Manufacturing PMI (Aug)	50.5	50.1
17:00		ISM Non-Manufacturing Prices (Aug)		69.9
FRIDAY, SEPTEMBER 5				
15:30		Average Hourly Earnings (MoM) (Aug)	0.3%	0.3%
15:30		Nonfarm Payrolls (Aug)	74K	73K
15:30		Unemployment Rate (Aug)	4.3%	4.2%

Weekly Highlights

1-5 SEP 2025

FED INDEPENDENCE UNDER FIRE AS TRUMP MOVES AGAINST LISA COOK



The clash over the future of the Federal Reserve has taken a dramatic turn after Donald Trump announced the removal of Governor Lisa Cook, a decision that has reignited fierce debate about the central bank's independence. Trump defended the move by accusing Cook of "deceitful and potentially criminal conduct" tied to a mortgage case, insisting her actions undermined public trust. Yet critics argue the allegations are thin and politically charged, viewing the dismissal as part of Trump's wider effort to reshape the Fed with loyalists.

Cook's ouster follows a wave of resignations at the Fed Board, further tightening Trump's grip on monetary policy. Analysts warn that the central bank, traditionally a nonpartisan institution, is now at risk of being drawn into the political arena, blurring the line between policy and power. Some suggest the move reflects a broader push to exert control over financial oversight bodies, fueling concerns of authoritarian drift in areas once considered untouchable by politics.

The controversy also spotlights how relatively minor personal matters, such as Cook's property dealings in Georgia, can be magnified and weaponized in today's polarized climate. Observers note that the issue appears less about proven misconduct and more about Trump's determination to install figures who align with his economic agenda, potentially at the expense of balance and institutional credibility.

Central bank independence is the support point of investor confidence, and any perception of political meddling risks unsettling currencies, bonds, and equities. While Trump frames the dismissal as a question of accountability, many see a deeper threat: the erosion of a central institution's autonomy at a moment when stability is most needed.



EURUSD

EUR/USD HOLDS ABOVE 1.1720 ON FED CUT BETS

EUR/USD traded above 1.1720 on Monday, supported by mounting expectations that the Federal Reserve will deliver a rate cut in September, which continues to weigh on the U.S. dollar. With U.S. markets closed for Labor Day, activity remains subdued, but sentiment favors the euro amid ongoing policy divergence.

KEY LEVELS:

- **Support:** 1.1665, with a broader range of 1.1475 – 1.1945.
- **Resistance:** 1.1725/30, followed by 1.1815, with 1.1870 seen as a critical level.



XAUUSD

GOLD EYES \$3,500 RESISTANCE

Gold closed last week at a record \$3,448, extending its powerful rally. The move has been supported by persistent US inflation, weaker consumer sentiment, expectations of rate cuts lowering funding costs, and growing concerns over the Fed's independence. With prices now approaching the April peak, the \$3,500 mark becomes an important level to watch.

Technically, \$3,500 is the immediate resistance. A strong break above this threshold could pave the way toward the next major resistance at \$3,621. Until then, price action around \$3,500 will indicate whether momentum continues or a short-term consolidation sets in.

KEY LEVELS:

- **Support:** \$3,448 / \$3,400
- **Narrow Range:** \$3,500 / \$3,621



BRENT OIL

BRENT OIL EASES BEFORE OPEC+ MEETING

Brent oil prices slipped at the end of August and carried weakness into September, though they remain within familiar ranges. Markets weigh the risk of a Q4 supply surplus against geopolitical tensions that limit downside pressure.

Attention now shifts to Beijing, where Xi Jinping, Vladimir Putin, and Narendra Modi are holding talks that could influence global energy flows. The upcoming OPEC+ meeting on 7 September will also be key for production policy and supply outlook.

KEY LEVELS:

- **Support:** \$64.45
- **Resistance:** \$68.45



BTCUSD

BTC AND ETH RANGEBOUND AS ETF FLOWS EASE

Bitcoin held steady around \$108,000 and Ethereum near \$4,400 in quiet holiday trading, consolidating after last week's pullback. Spot ETF activity was mixed into the month-end, with funds such as IBIT alternating between inflows and outflows. Demand for Ethereum ETFs also eased following the strong surge seen in mid-August.

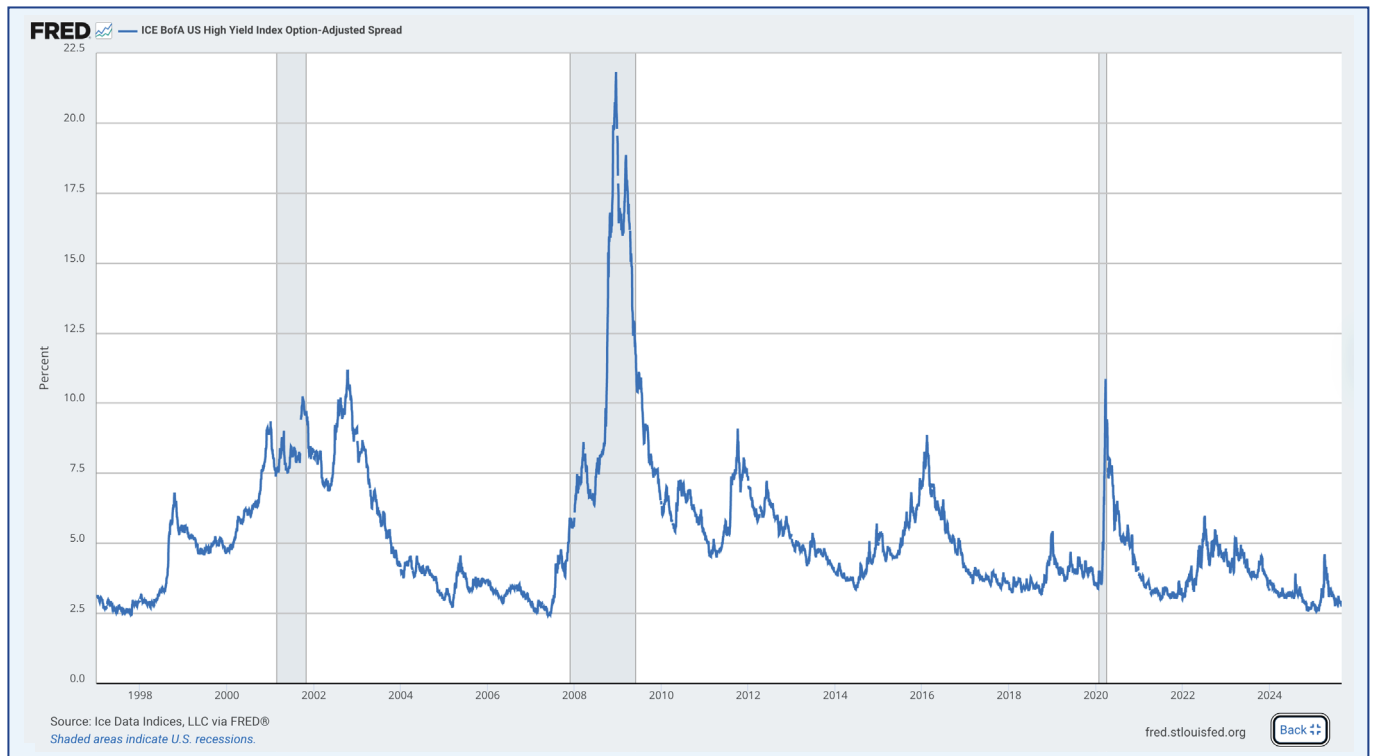
Altcoins largely mirrored the moves of Bitcoin and Ethereum, showing limited independent direction. The return of U.S. markets and upcoming economic releases are expected to be the main drivers for sentiment across the crypto market this week.

KEY LEVELS:

- **Support:** \$108,000 / \$104,875
- **Resistance:** \$117,000 / \$125,000



JUNK BONDS AT LEVELS NOT SEEN SINCE 2022 RATE HIKES



High-yield corporate bonds, commonly known as “junk bonds”, are once again flashing caution signals in global credit markets. Yields on these riskier instruments have dropped to their lowest levels since the Federal Reserve began raising rates in 2022, suggesting investors are demanding less compensation for holding risky debt. While this could be read as confidence in corporate resilience, many analysts warn it points instead to dangerous complacency.

The main concern lies in the shrinking spread between junk bonds and safer U.S. Treasuries. Historically, when investors accept too little reward for risk, volatility tends to follow. With global growth still fragile and geopolitical tensions simmering, markets may be underestimating the probability of defaults, leaving portfolios exposed if conditions turn.

This optimism also contrasts with the underlying fundamentals: corporate leverage remains elevated after years of cheap borrowing, and refinancing will become costlier even if the Fed eases policy. Adding to the uncertainty is the Fed’s own policy path, as traders juggle inflation risks, slowing growth, and political turmoil that clouds expectations for interest rates.

For fund managers and institutional investors, the message is clear: today’s “expensive junk” offers little cushion if turbulence hits. History shows compressed spreads rarely last, often giving way to sharp corrections. In this environment, disciplined risk management and diversification prove to be survival tools.

OPPOSITION UNITES AGAINST BAYROU, CONFIDENCE VOTE THREATENS STABILITY



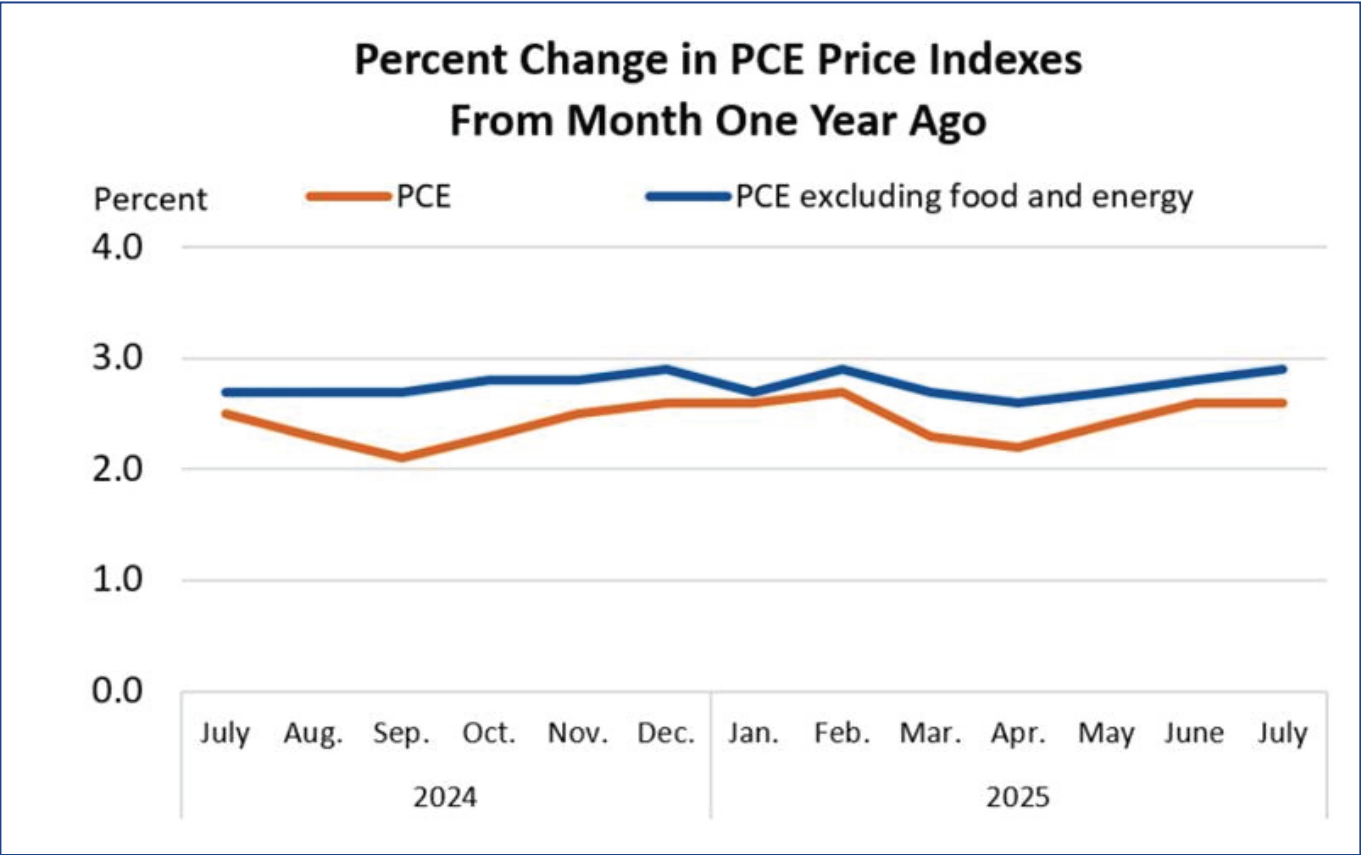
Source: Abdul Saboor, Reuters

France is once again staring down political upheaval after Prime Minister François Bayrou announced a September 8 confidence vote, a high-stakes gamble on his contested reform package. The plan, €44 billion in spending cuts and tax hikes, combined with the elimination of two public holidays, has provoked fierce backlash. Opposition parties spanning the spectrum, from Marine Le Pen's far-right National Rally to the left-wing France Unbowed, Greens, and Socialists, have already vowed to vote him out.

Failure would almost certainly force Bayrou's resignation, triggering the second collapse of a French government in just a few months, after Michel Barnier's brief 90-day tenure. The turbulence proves the growing fragility of President Emmanuel Macron's leadership, weakened since his party and allies lost their parliamentary majority in 2024. Without that base, passing reforms has become an uphill battle.

Le Pen's National Rally, now the dominant force in the lower house, is pressing for fresh elections to leverage the moment and solidify its grip on French politics. Defiant in Paris, Bayrou defended his reform drive, warning that inaction was the greater danger: "Yes, this is a risk, but the greatest risk is to do nothing." His resolve, however, may not be enough to withstand a fractured parliament eager to test his government's limits.

JULY US PCE TESTS FED'S PATIENCE



The latest US data showed the PCE price index rose 0.2% monthly in July, slowing from June's 0.3% increase and coming in line with expectations. Goods prices slipped 0.1% after a 0.4% gain the previous month, while services prices rose 0.3%, quickening from June's 0.2%. The figures prove the outcome of the ongoing split between goods deflation and persistent inflationary pressures in services.

The core PCE index, which strips out food and energy and is closely tracked by the Federal Reserve, advanced 0.3% in July, matching June's pace. Food prices fell 0.1% after a 0.3% rise in June, while energy prices dropped 1.1%, reversing from a 0.9% increase the month before. These declines in more volatile components helped temper the strength coming from services.

Annual headline PCE inflation held steady at 2.6%, exactly in line with forecasts. Core PCE, however, ticked higher to 2.9% from 2.8%, marking its strongest reading in five months. The increase suggests underlying inflation pressures remain despite stability in the headline measure.

For policymakers, the report reinforces that PCE inflation continues to run above the 2% target. While softer food and energy costs offer some relief, the persistence of services inflation and the firming in core PCE are likely to keep the Federal Reserve guarded about the pace and timing of future rate cuts.

Source: U.S. Bureau of Economic Analysis

GERMANY'S INFLATION PICKS UP STEAM, TESTING ECB PATIENCE



Germany's annual inflation rate increased higher in July, rising to 2.2% from 2.0% in June, according to preliminary figures. The outcome came in just above market expectations of 2.1%, marking the fastest pace of consumer price growth since March and breaking two months of stability at the European Central Bank's 2% target.

The rise was mostly caused by goods inflation, which strengthened to 1.3% from 1.0%. Food prices also picked up, climbing to 2.5% after a 2.2% increase in June. Energy continued to act as a drag but with less force, dropping 2.4% compared with a sharper 3.4% fall in the previous month. With the pull from energy fading, other categories, especially food and goods, are having a stronger effect on the overall index.

Services inflation held steady at 3.1%, highlighting price pressures in housing, transport, and leisure. Core inflation, which excludes food and energy, was unchanged at 2.7%, showing that underlying pressures are still ongoing even as headline inflation has softened earlier this year.

Consumer prices rose 0.1% monthly in July, a modest increase that nonetheless raises questions about whether the recent disinflationary trend is losing momentum. For the ECB, the figures could complicate efforts to chart a clear path toward monetary easing. Any signs of sustained inflation rebound risk delaying the rate cuts that markets have begun to expect. July's rise leaves open the question of whether this rise is temporary or the start of a more persistent inflation trend in the Eurozone.

TARIFFS AND AUTHORITY: CAN TRUMP REDEFINE THE PRESIDENCY?



Donald Trump's use of tariffs has sparked renewed discussion about the presidential authority in the United States. By invoking the International Emergency Economic Powers Act (IEEPA), Trump sought to introduce various trade restrictions. A federal appeals court later ruled against the move, and legal experts now expect the case to be reviewed by the Supreme Court, where the outcome could influence future interpretations of executive power.

The implications go far beyond tariffs. Some critics view Trump's reliance on emergency powers as an attempt to bypass Congress, raising questions about the balance between branches of government. Supporters, however, argue that such measures are necessary to protect American industries and maintain the country's position in global trade negotiations. At the center of the discussion is a broader question: how much authority should a president have when shaping economic policy?

Commentators state that the issue touches not only on economics but also on governance. Tariffs directly affect consumer prices, supply chains, and growth, while decisions on presidential authority could set important precedents for the years ahead. The Supreme Court's eventual ruling will be fundamental in determining whether Trump's vision of presidential authority becomes the new standard for U.S. democracy.

Market Roundup



ECB POLICY OUTLOOK

The European Central Bank (ECB) is expected to leave interest rates unchanged next month, according to Reuters. However, officials hinted that discussions on future cuts could resume in the autumn if growth shows signs of weakness. President Christine Lagarde recently described policy as being "in a good place" after holding rates steady at 2% in July, noting that inflation is now tracking close to the bank's 2% goal while the eurozone economy has held up better than anticipated.

CHINA'S EVERGRANDE DELISTED

Evergrande, once China's largest property developer, has been officially removed from the Hong Kong Stock Exchange, ending more than 15 years of trading. Once valued at over \$50 billion, its delisting shows the dramatic collapse of a company that once symbolized China's real estate boom.

UK INFLATION EXPECTATIONS

A joint survey by Citibank and YouGov showed UK short-term inflation expectations steady at 4% in August, while long-term expectations eased from 4.2% to 3.9%, returning to February levels. Citi analysts noted the decline is encouraging but warned that persistent food price pressures could push expectations higher in the coming months.



BOJ SIGNALS MORE HIKES

Bank of Japan policymaker Junko Nakagawa said the central bank stands ready to raise interest rates further if needed, stressing that policy tightening remains on the table. She highlighted U.S. tariff uncertainty as a significant risk to Japan's economic outlook, warning that external pressures could complicate the fragile recovery of Asia's second-largest economy.

FED UNDER PRESSURE

U.S. Treasury Secretary Scott Bessent called on Powell to launch an internal probe into mortgage fraud allegations against Fed's Lisa Cook. The demand comes as the central bank faces questions of its independence, with concerns mounting that political influence could undermine monetary policy credibility.

RUSSIA EXTENDS FUEL EXPORT BAN

Russia announced it will extend its gasoline export ban until October 31 in an effort to control domestic shortages and ease pressure on fuel prices. Restrictions for local producers are set to be lifted earlier, starting October 1, but authorities warned that record-high prices remain a challenge for consumers despite earlier bans aimed at stabilizing supply.

The Week Ahead

This week, U.S. labor market data will dominate attention as the final employment report before the Fed's September meeting. Nonfarm payrolls are expected to rise by only 78,000, while the unemployment rate is projected at 4.3%, close to a four-year high. Average hourly earnings are seen stable at 0.3% MoM, keeping wage growth in focus. Complementary releases include the ADP private employment report, which markets increasingly rely on after criticism of the BLS, and JOLTS job openings, offering further insight into labor demand. The ISM PMIs should confirm manufacturing weakness and continued services growth, while the trade balance will show tariff effects on U.S. flows. Corporate earnings from Broadcom and Salesforce could also shape sentiment, particularly in tech.

EUROPE

Inflation trends remain uneven. Germany's CPI rose above 2%, beating forecasts, while France (0.8%), Spain (2.7%), and Italy (1.7%) all undershot expectations. Germany's factory orders are expected to rebound after two months of contraction, which could signal a shift in industrial demand. The Eurozone will release retail sales and bloc-wide unemployment, alongside national labor data from Italy and Spain. PMI reports from Spain and Italy should show slight manufacturing gains and slowing services. In the UK, delayed retail sales data are expected to show a second monthly increase, alongside housing figures (Nationwide, Halifax) and mortgage approvals. Poland's central bank will announce its rate decision, while Switzerland releases inflation, unemployment, and consumer confidence.

ASIA-PACIFIC

In China, the focus is on official NBS and Caixin PMI surveys, expected to confirm continued manufacturing weakness and relative resilience in services, consistent with Beijing's credit and stimulus measures. Japan will publish data on capital expenditure, household spending, wages, and leading/coincident indices, key for gauging underlying momentum. In Australia, Q2 GDP is forecast to grow 0.5%, supported by trade, though housing and approvals data will be closely watched. South Korea will release Q2 GDP and trade figures, while Malaysia's central bank decides on rates. Across the region, inflation updates are due from South Korea, Indonesia, the Philippines, Vietnam, and Taiwan, alongside regional manufacturing PMI surveys.





🌐 zitaplus.com

✉ support@zitaplus.com

☎ +971 4 287 1454

📞 +971 54 431 3402

📍 The H Hotel Office Tower,
One Sheikh Zayed Road, 18th floor,
Office No:1803, Dubai, United Arab Emirates

