

ZITAPLUS

WEEKLY BULLETIN

18 — 22 AUG 2025

ECONOMIC CALENDER

WEEKLY HIGHLIGHTS

TECHNICAL ANALYSIS

SEPTEMBER'S FED CUT DEBATE















ZEW SENTIMENT PLUNGES IN AUGUST

GERMAN WHOLESALE PRICE GROWTH SLOWS

MARKET ROUNDUP

Index

- 02 ECONOMIC CALENDAR
- 03 WEEKLY HIGHLIGHTS
- 04 SEPTEMBER'S RATE CUT DEBATE
- 05 TECHNICAL ANALYSIS
 - 05 EURUSD
 - 05 GOLD
 - 06 BRENT
 - 06 BITCOIN
- 07 ZEW SENTIMENT PLUNGES IN AUGUST
- 09 GERMAN WHOLESALE PRICE GROWTH SLOWS
- 10 US PPI JUMPS
- 11 MARKET ROUNDUP
- 13 THE WEEK AHEAD

TIME	CUR.	EVENT	FORECAST	PREVIOUS
MONDAY, AUGUST 18				
12:00		Trade Balance (Jun)		16.2B
TUESDAY, AUGUST 19				
23:30		API Weekly Crude Oil Stock		1.500M
WEDNESDAY, AUGUST 20				
09:00		CPI (YoY) (Jul)	3.7%	3.6%
12:00		CPI (YoY) (Jul)	2%	2%
21:00		FOMC Meeting Minutes		
THURSDAY, AUGUST 21				
11:00		HCOB Eurozone Manufacturing PMI Flash (Aug)	49.6	49.1
11:30		S&P Global Services PMI Flash (Aug)	51.9	51.8
15:30		Initial Jobless Claims	227K	224K
15:30		Philadelphia Fed Manufacturing Index (Aug)	5.9	15.9
16:45		S&P Global Manufacturing PMI (Aug)	49.9	49.8
16:45		S&P Global Services PMI (Aug)	53.3	55.7
17:00		Existing Home Sales (Jul)	3.92M	3.93M
FRIDAY, AUGUST 22				
02:30		Inflation Rate YoY (Jul)	-0.1%	0.4%
09:00		German GDP (QoQ) (Q2)	-0.1%	-0.1%

Weekly Highlights

18-22 AUG 2025

Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12 mos. ended Jul. 2025
	Jan. 2025	Feb. 2025	Mar. 2025	Apr. 2025	May 2025	Jun. 2025	Jul. 2025	
All items	0.5	0.2	-0.1	0.2	0.1	0.3	0.2	2.7
Food	0.4	0.2	0.4	-0.1	0.3	0.3	0.0	2.9
Food at home	0.5	0.0	0.5	-0.4	0.3	0.3	-0.1	2.2
Food away from home ⁽¹⁾	0.2	0.4	0.4	0.4	0.3	0.4	0.3	3.9
Energy	1.1	0.2	-2.4	0.7	-1.0	0.9	-1.1	-1.6
Energy commodities	1.9	-0.9	-6.1	-0.2	-2.4	1.0	-1.9	-9.0
Gasoline (all types)	1.8	-1.0	-6.3	-0.1	-2.6	1.0	-2.2	-9.5
Fuel oil	6.2	0.8	-4.2	-1.3	0.9	1.3	1.8	-2.9
Energy services	0.3	1.4	1.6	1.5	0.4	0.9	-0.3	7.2
Electricity	0.0	1.0	0.9	0.8	0.9	1.0	-0.1	5.5
Utility (piped) gas service	1.8	2.5	3.6	3.7	-1.0	0.5	-0.9	13.8
All items less food and energy	0.4	0.2	0.1	0.2	0.1	0.2	0.3	3.1
Commodities less food and energy commodities	0.3	0.2	-0.1	0.1	0.0	0.2	0.2	1.2
New vehicles	0.0	-0.1	0.1	0.0	-0.3	-0.3	0.0	0.4
Used cars and trucks	2.2	0.9	-0.7	-0.5	-0.5	-0.7	0.5	4.8
Apparel	-1.4	0.6	0.4	-0.2	-0.4	0.4	0.1	-0.2
Medical care commodities ⁽¹⁾	1.2	0.1	-1.1	0.4	0.6	0.1	0.1	0.1
Services less energy services	0.5	0.3	0.1	0.3	0.2	0.3	0.4	3.6
Shelter	0.4	0.3	0.2	0.3	0.3	0.2	0.2	3.7
Transportation services	1.8	-0.8	-1.4	0.1	-0.2	0.2	0.8	3.5
Medical care services	0.0	0.3	0.5	0.5	0.2	0.6	0.8	4.3

Footnotes

(1) Not seasonally adjusted.

US INFLATION HOLDS STEADY IN JULY, CORE PRICES

The US annual inflation rate held at **2.7% in July 2025**, unchanged from June and slightly below market expectations of 2.8%. Price pressures increased in certain categories, with used cars and trucks climbing 4.8% compared to 2.8% in June, transportation services rising 3.5% from 3.4%, and new vehicle prices edging up 0.4% from 0.2%. Food inflation remained steady at 2.9%. In contrast, shelter price growth eased slightly to 3.7% from 3.8%, while overall energy costs fell by 1.6%, a sharper decline than June's 0.8% drop. Gasoline prices fell 9.5%, fuel oil prices dropped 2.9%, and natural gas prices, while still elevated, eased to 13.8% from 14.2%.

On a monthly basis, the Consumer Price Index (CPI) rose by **0.2%**, just below June's 0.3% increase, which had been the strongest since January. This outcome matched market forecasts and signals a modest cooling in headline monthly inflation. The stability in annual CPI suggests that, while certain categories continue to experience notable price increases, the broader pace of inflation is not accelerating as sharply as feared.

However, core inflation — which excludes volatile food and energy prices — accelerated to a **five-month high of 3.1%** year-on-year, up from 2.9% in June and above the expected 3%. On a monthly basis, core CPI rose 0.3%, its fastest increase in six months, after 0.2% previously. The rebound in core prices underscores persistent underlying price pressures in the US economy, a factor likely to keep the Federal Reserve cautious as it weighs the timing and pace of future interest rate adjustments.

SEPTEMBER'S FED CUT DEBATE: 25BPS OR 50BPS?



With the September Federal Reserve meeting drawing near, speculation is intensifying over whether policymakers will opt for a standard 25-basis-point cut or make a bigger statement with 50bps. US Treasury Secretary Scott Bessent has been outspoken, calling for a half-point reduction to kick off the month and hinting that multiple cuts could follow. His view gained momentum after softer US inflation data, described by Bessent as “fantastic”, supported expectations that rate cuts are back in play in full force.

President Donald Trump has added political weight to the discussion, pressing Fed Chair Jerome Powell for swift action to ease borrowing costs. Current market pricing points to roughly 65bps of total cuts by year-end, leaving room for either two standard moves or one larger reduction followed by a smaller adjustment. While a 50bps cut in September would send a strong signal, analysts caution it carries risks, particularly if incoming economic data fails to justify aggressive easing.

The Fed's choice comes with extra baggage this time, as political agendas and geopolitical shifts weigh in. Upcoming US-Russia talks could sway market sentiment, while debates over the accuracy and timeliness of US labor market data are adding uncertainty. With traders split and policymakers delivering mixed messages, September's decision could prove one of the most consequential Fed moves in years, shaping the course of monetary policy for the remainder of 2025.

EURUSD

EUR/USD STEADY AHEAD OF POWELL, ZELENSKY TALKS

The EUR/USD pair is trading at 1.1680. Today, markets are focused on the meeting between Trump and Zelensky, with any progress toward ending the Russia-Ukraine war expected to ease geopolitical risks and reduce selling pressure on the euro.

Attention is also on the Jackson Hole symposium, where central bankers will gather. Remarks from Fed Chair Jerome Powell regarding the rate-cut outlook will be closely watched by investors.

Technically, EUR/USD is consolidating within the 1.1625–1.1740/50 range. Resistance remains at 1.1740/50, while 1.1625 is the first support level. On a wider scale, the 1.1560–1.1830 band is being monitored.

KEY LEVELS:

- **Narrow Range:** 1.1625–1.1740/50
- **Broad Range:** 1.1560–1.1830



XAUUSD

GOLD CLIMBS ON PEACE SIGNALS AND FED CUT BETS

Gold climbed to \$3,350 per ounce on Monday, recovering from a two-week low of \$3,323 as attention turned to the Trump-Zelensky meeting, where European leaders are expected to join. While the Trump-Putin summit failed to secure a ceasefire, Putin's backing of U.S.-EU security guarantees for Ukraine was seen as progress toward a possible peace deal.

Markets are now focused on Powell's speech at Jackson Hole and the Fed minutes, with traders pricing in a higher chance of a September rate cut.

Technically, as long as gold holds above \$3,323, the bias stays constructive, with resistance at \$3,374 and \$3,420. A break below \$3,300 could shift momentum lower.

KEY LEVELS:

- **Support:** \$3,345, followed by \$3,323
- **Narrow Range:** \$3,345 – \$3,405
- **Broad Range:** \$3,323 – \$3,430



BRENT OIL

BRENT OIL RISES AHEAD OF TRUMP-ZELENSKY TALKS

Brent crude climbed above \$66 per barrel on Monday as markets focused on the Washington meeting between U.S. President Donald Trump and Ukrainian President Volodymyr Zelenskiy. The talks, also attended by European Commission President Ursula von der Leyen, French President Emmanuel Macron, and NATO Secretary General Mark Rutte, are expected to explore steps toward a possible peace deal with Russia.

Despite the day's gains, Brent remains down over 10% this month, pressured by Trump's tariffs and rising OPEC+ supply.

KEY LEVELS:

- **Support:** \$70.90
- **Next:** \$63.00



BTCUSD

BITCOIN RALLY CONTINUES WITH \$150K IN SIGHT

The cryptocurrency market started the week under pressure, with Bitcoin retreating more than 2% to trade near \$115,255 after reaching a record high of \$124,496 last week.

The drop followed hotter U.S. wholesale inflation figures for July, which reduced the probability of a Federal Reserve rate cut in September. The shift in expectations triggered risk-off flows, weighing on digital assets along with broader financial markets.

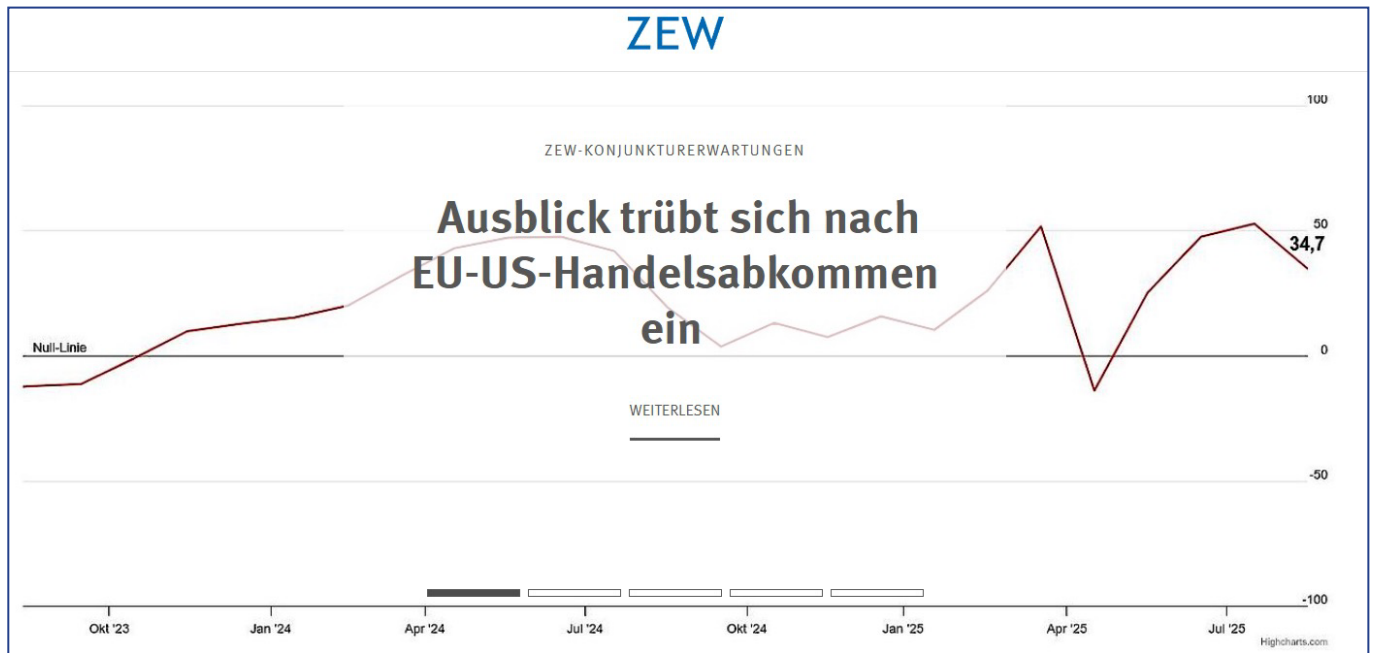


Despite the decline, Bitcoin remains strongly higher year-to-date. Traders now watch whether \$115,000 can act as near-term support or if risks of further losses grow under the evolving Fed outlook.

KEY LEVELS:

- **Resistance:** \$125,000
- **Next Target:** \$112,000

GERMANY'S ZEW ECONOMIC SENTIMENT FALLS



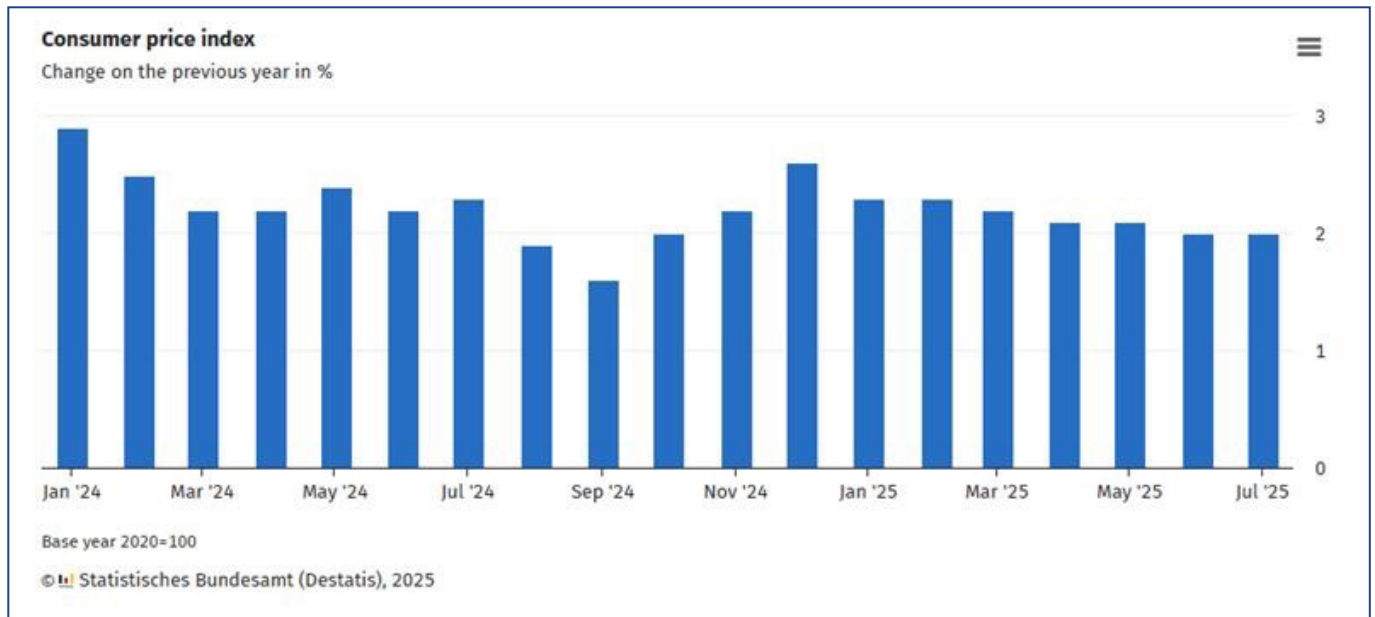
The ZEW Indicator of Economic Sentiment for Germany dropped to 34.7 in August 2025, marking its first decline in four months and falling well below July's 52.7 — the highest level since 2022 — and market expectations of 40. According to ZEW President Professor Achim Wambach, financial market experts were disappointed with the recently announced EU-US trade deal. The sharp fall in sentiment was also linked to the German economy's weak performance in the second quarter of 2025, with outlooks deteriorating most notably in the chemical and pharmaceutical industries. The mechanical engineering, metal, and automotive sectors have also been severely impacted.

In addition to the sentiment index, the assessment of Germany's current economic situation worsened further. The ZEW Current Conditions index declined to -68.6 in August from -59.5 in July, missing forecasts of -65. This indicates that despite earlier optimism, economic conditions remain deeply negative, reflecting ongoing structural challenges and subdued industrial activity.

Economists note that the decline in both sentiment and current conditions signals potential headwinds for the German economy in the coming months. Persistent weakness in key industries, coupled with trade uncertainties, could weigh on growth prospects for the remainder of 2025, making it more difficult for Germany to regain its footing as Europe's economic engine.



GERMAN WHOLESALE PRICE GROWTH SLOWS IN JULY BUT MARKS EIGHTH STRAIGHT INCREASE



Germany's wholesale prices posted a modest 0.5% increase year-on-year in July 2025, slowing from the 0.9% gain in June but still marking the eighth month of consecutive growth. The latest data from Destatis highlighted significant price pressures in several categories, particularly food, beverages, and tobacco, which surged 3.5%. Within this segment, the steepest gains came from coffee, tea, cocoa, and spices (up 16%), sugar and bakery products (15%), dairy and edible fats (8.8%), meat and meat products (9.4%), live animals (8.4%), and milk, eggs, oils, and related products (7.3%). Non-ferrous ores and metals also recorded a sharp 17.6% annual jump, reflecting ongoing volatility in global commodity markets.

However, the gains were partly offset by notable declines in other categories. Solid fuels and mineral oil products dropped 5.7%, waste and scrap fell 9%, and iron, steel, and semi-finished ferrous products declined 5.6%. Technology-related goods also saw price relief, with computers and related equipment down 4.8% year-on-year. This divergence in pricing trends underscores how sector-specific supply and demand factors continue to shape Germany's wholesale inflation dynamics.

On a monthly basis, wholesale prices unexpectedly slipped 0.1%, defying forecasts for a 0.2% rise and reversing the increase recorded in June. The softer reading suggests that while certain commodities and essential goods remain under inflationary pressure, broader price momentum may be easing. Economists will be watching upcoming data closely to gauge whether this moderation continues, especially given the ongoing uncertainty in energy markets and shifting global trade conditions.

US PPI JUMPS, DISINFLATION HOPES FALTER



The latest US Producer Price Index (PPI) data has come in far above expectations, surprising markets and challenging the recent narrative that inflationary pressures are steadily cooling.

- **Headline PPI (MoM):** +0.9% vs. +0.2% expected
- **Headline PPI (YoY):** +3.3% vs. +2.5% expected
- **Core PPI (MoM):** +0.9%, one of the sharpest monthly jumps since March 2022

WHY IT'S RAISING ALARMS

PPI tracks production and supply chain costs, often serving as an early signal for movements in consumer inflation (CPI). This unexpected surge raises fresh concerns that tariffs and other cost drivers are still filtering through the economy, contradicting earlier claims that such pressures had largely faded.

WHAT IT MEANS FOR THE FED

Just before the data hit, markets were assigning a 91% probability to a 25-basis-point rate cut at the Federal Reserve's September meeting. Now, that confidence could be tested. The sharp PPI print makes the case for a slower, more cautious pace of easing, or even a temporary pause, as the Fed weighs the risk of reigniting inflation against the need to support growth. With cost pressures still showing signs of persistence, particularly those linked to tariffs, traders and policymakers are assessing how smooth the road ahead will be for inflation control.

Market Roundup



US President Donald Trump confirmed he will meet Russian President Vladimir Putin in Alaska on Friday, August 15, with the Kremlin stating the discussion will focus on resolving the Ukraine crisis. Separately, Trump nominated economist E.J. Antoni as Commissioner of the Bureau of Labor Statistics, describing him as a “respected economist” who will ensure published data remains “honest and accurate.”

Bank of America economists now see the Federal Reserve delaying its next rate cut, citing risks of persistent inflation after recent tariffs and labour supply concerns. They warn that cutting rates in September without clear evidence inflation has peaked could be premature.

UKRAINE WAR AT CENTER OF ALASKA SUMMIT

Donald Trump and Vladimir Putin met in Alaska to discuss a possible peace deal for Ukraine. Putin signaled he might withdraw from minor areas but insisted on control of Donetsk and Luhansk. Trump, meanwhile, leaned toward skipping a ceasefire and pushing for a full settlement, a stance that unsettled Kyiv and Europe, as Russia already controls 20% of Ukraine.

Western leaders are weighing a NATO-style security guarantee, while the summit’s symbolism drew headlines: Trump chauffeured Putin in “The Beast”, the presidential limousine, under U.S. fighter jet escorts. Putin later invited Trump to Moscow, claiming the war would never have started if Trump had been president.

In Europe, Italy is preparing measures to limit Chinese ownership stakes in key domestic companies, aiming to avoid friction with the US. Meanwhile, China has advised state-owned enterprises and private firms to avoid using Nvidia's H20 AI chips for sensitive projects, boosting local AI chipmaker Cambricon's shares.

In the UK, regular pay growth held steady at 5% in the three months to June, with public sector pay accelerating to 5.7% while private sector growth eased to 4.8%. Real wages rose just 0.9%, underscoring ongoing cost-of-living pressures despite nominal gains.



The Week Ahead

HEAVY WEEK OF FED, BOE, AND RBNZ SIGNALS AHEAD

Global markets begin the week with attention firmly on monetary policy and economic releases. The centerpiece will be the Federal Reserve's Jackson Hole Symposium, where Chairman Jerome Powell is expected to outline the outlook for interest rates amid growing calls for easing. Investors will also review minutes from the Fed's recent meeting, which revealed divisions among policymakers, while upcoming remarks from FOMC members Waller and Bowman may provide further clarity. Such U.S. housing indicators will be monitored closely:

- **Permits**
- **Starts**
- **Sales**
- **S&P Flash PMI Data**

Earnings from major retailers such as Walmart, Target, and Home Depot are also due.

In Europe, flash PMIs from the Eurozone, Germany, France, and the UK will be in focus. Services activity is expected to slow in the Eurozone, while the UK may show strength. Key data include UK CPI (forecast 3.7%), modest retail sales gains, and consumer sentiment. Germany's producer prices are projected to rise, while France's manufacturing outlook may soften. Other updates feature Sweden's Riksbank decision and Turkey's consumer confidence.

Across Asia-Pacific, central banks and inflation data take the spotlight. The PBOC is expected to hold rates, while Japan's CPI may signal cooling inflation despite a trade surplus. New Zealand is forecast to cut rates by 25 bps, while Indonesia is likely to hold. Australia's consumer sentiment and PMIs from Japan, India, and Australia will add context, along with trade and inflation figures across Asia, and Thailand's GDP.

Overall, investors face a heavy week of central bank commentary, inflation readings, and PMI releases that will shape global rate expectations. With the Fed, BoE, and RBNZ in focus, traders will be watching closely for signals on the policy path and implications for currencies, commodities, and equities.





🌐 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

