

ZITAPLUS

WEEKLY BULLETIN

11 — 15 AUG 2025

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ECONOMIC CALENDER

WEEKLY HIGHLIGHTS

TECHNICAL ANALYSIS

TRUMP'S TARIFF DIPLOMACY

TRUMP'S FED PLAYBOOK

MARKET ROUNDUP

Index

02 ECONOMIC CALENDAR

03 WEEKLY HIGHLIGHTS

04 PMI RELEASES

05 TECHNICAL ANALYSIS

05 EURUSD

05 GOLD

06 BRENT

06 BITCOIN














07 TRUMP'S TARIFF DIPLOMACY:
ALLIES OR TARGETS

09 TRUMP'S FED PLAYBOOK:
REPLACE, RESHAPE, REDUCE RATES

11 BOE CUTS RATE TO 4% AMID TIGHT VOTE
AND INFLATION CONCERNS

12 MARKET ROUNDUP

13 THE WEEK AHEAD

TIME	CUR.	EVENT	FORECAST	PREVIOUS
MONDAY, AUGUST 11				
ALL DAY		Japan - Mountain Day Holiday		
TUESDAY, AUGUST 12				
15:30		Core CPI (MoM) (Jul)	0.3%	0.2%
15:30		CPI (MoM) (Jul)	0.2%	0.3%
15:30		CPI (YoY) (Jul)	2.8%	2.7%
WEDNESDAY, AUGUST 13				
09:00		German CPI (MoM) (Jul)	0.3%	0.3%
THURSDAY, AUGUST 14				
09:00		GDP (YoY) (Q2)		1.3%
09:00		GDP (MoM) (Jun)		-0.1%
09:00		GDP (QoQ) (Q2)		0.7%
15:30		Initial Jobless Claims		226K
15:30		PPI (MoM) (Jul)	0.2%	0.00%
FRIDAY, AUGUST 15				
02:50		GDP (QoQ) (Q2)	0.1%	0.0%
15:30		Core Retail Sales (MoM) (Jul)	0.2%	0.5%
15:30		Retail Sales (MoM) (Jul)	0.5%	0.6%

Weekly Highlights

11-15 AUG 2025



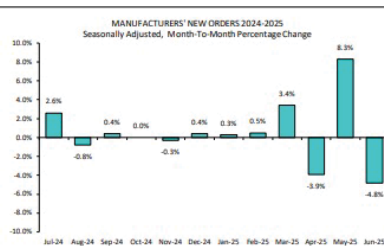
MANUFACTURED GOODS – NEW ORDERS

JUNE 2025	\$611.7 billion	-4.8%*
MAY 2025 (revised)	\$642.5 billion	+8.3%*

Next release: September 3, 2025

Data adjusted for seasonal variation but not for price changes. Statistical significance is not measurable for this survey. The Manufacturers' Shipments, Inventories, and Orders estimates are not based on a probability sample, so the sampling error of these estimates cannot be measured, nor can the confidence intervals be computed.

Source: U.S. Census Bureau, Manufacturers' Shipments, Inventories and Orders, August 4, 2025.



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U.S. factory orders dropped by \$30.9 billion, or 4.8%, to \$611.7 billion in June, following a strong rebound in May. This is the second decline in three months, raising concerns over slowing demand in the manufacturing sector.



U.S. INTERNATIONAL TRADE IN GOODS AND SERVICES DEFICIT

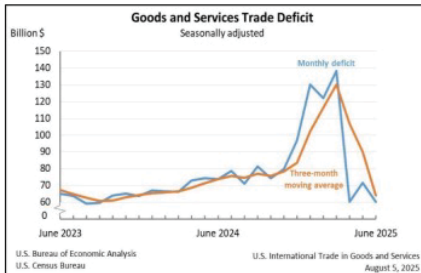
Deficit:	\$60.2 Billion	-16.0%*
Exports:	\$277.3 Billion	-0.5%*
Imports:	\$337.5 Billion	-3.7%*

Next release: Thursday, September 4, 2025

(*) Statistical significance is not applicable or not measurable.

Data adjusted for seasonality but not price changes.

Source: U.S. Census Bureau, U.S. Bureau of Economic Analysis; U.S. International Trade in Goods and Services, August 5, 2025.



U.S. Bureau of Economic Analysis
U.S. Census Bureau

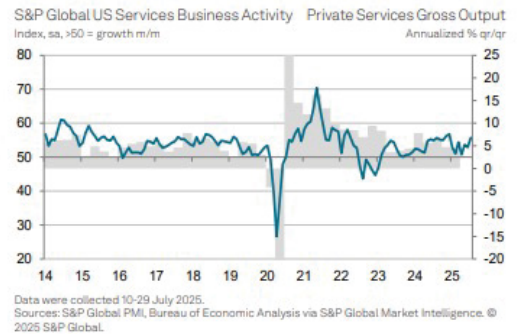
U.S. International Trade in Goods and Services
August 5, 2025

The U.S. trade deficit shrank by 16% to \$60.2 billion in June, hitting its lowest level since September 2023. Imports tumbled 3.7%, while exports saw a modest 0.5% dip, easing the trade gap more than expected.

PMI Releases

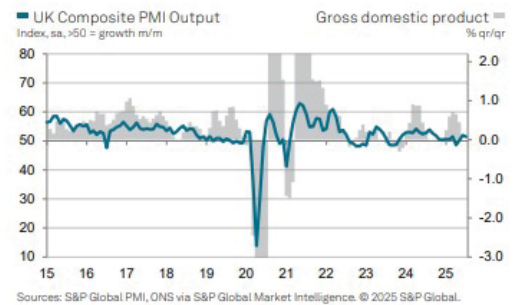
U.S. SERVICES PMI JUMPS TO 55.7

The S&P Global U.S. Services PMI climbed to 55.7 in July, up from 52.9 in June, marking the strongest reading in seven months. This signals a solid pickup in business activity and extends the sector's expansion streak to 30 consecutive months.



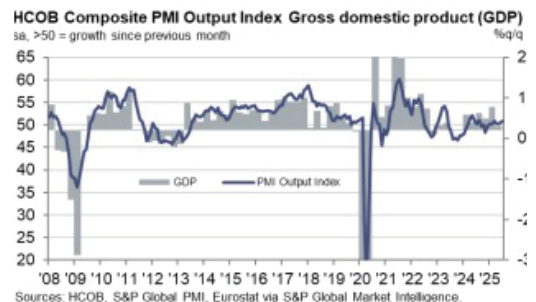
UK SERVICES SECTOR LOSES STEAM

The S&P Global UK Services PMI dipped to 51.8 in July from 52.8 in June, marking its third straight month holding above the 50.0 threshold. While the reading still signals growth, the pace of expansion has clearly slowed, pointing to a softer momentum in the sector.



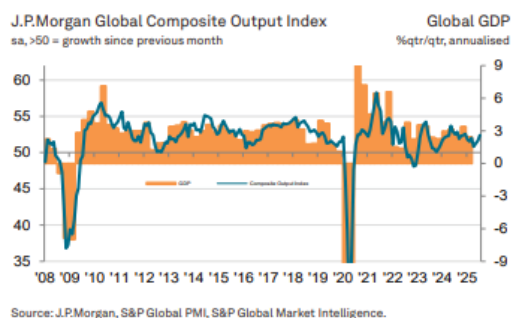
EUROZONE SERVICES PMI HITS 51.0

In the Eurozone, the HCOB Services PMI rose to 51.0 in July, up from 50.5 in June, posting the strongest service sector growth since March. The modest improvement comes despite stagnant new business volumes and persistent export weakness, which declined at a slower pace.



GLOBAL GROWTH PICKS UP SPEED

Global economic growth gained traction for a third straight month in July, with the J.P. Morgan Global Composite PMI rising to 52.4 from 51.7 in June. Despite the stronger output, business sentiment for the year ahead stayed muted, reflecting one of the most cautious outlooks since the pandemic.



EURUSD

EURO HOLDS NEAR 1.16 ON ECB OUTLOOK AND CEASEFIRE HOPES

The euro started the week with slight gains after the previous session's decline, trading near 1.1600 in the U.S. session. The EUR/USD pair is supported by expectations that the European Central Bank will end its easing cycle in September.

Positive sentiment over a potential resolution to the Russia-Ukraine conflict is also helping the euro, with reports of a possible Trump-Putin meeting next week raising hopes for a ceasefire. Additionally, the interest rate gap between the Federal Reserve and the ECB continues to favor an upward bias for the pair.

KEY LEVELS:

- **Narrow Range:** 1.1580 – 1.1770
- **Broad Range:** 1.1510 – 1.1830



XAUUSD

GOLD SLIPS TO \$3,345 AMID PEACE PROSPECTS

Reports of an upcoming Trump-Putin meeting this week have lifted hopes for a Russia-Ukraine ceasefire, pushing gold prices down to around \$3,345 during the European session. However, expectations of a Federal Reserve rate cut in September continue to support the metal.

Federal Reserve Board Member Michelle Bowman noted that soft employment data has increased concerns about the labor market, reaffirming her outlook for three rate cuts in 2025. Markets currently price in about an 89% probability of a September cut and anticipate at least two by year-end.

KEY LEVELS:

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



BRENT OIL

BRENT HOLDS NEAR \$66 AMID RUSSIA TALKS

Brent traded near \$66 after last week's 5% decline, as news of Trump's planned Alaska meeting with Putin eased concerns over potential Russian supply disruptions. A possible peace agreement could lead to the removal of sanctions on Russian oil, though uncertainty persists. Markets now look ahead to OPEC's monthly report along with U.S. EIA and IEA forecasts. YTD, oil has fallen over 10% amid a quicker OPEC+ output recovery and a subdued demand outlook.

KEY LEVELS:

- **Support:** \$65.00
- **Next:** \$62.00



BTCUSD

BITCOIN RALLY CONTINUES WITH \$150K IN SIGHT

In 2025, Bitcoin has gained 25% against the U.S. dollar, while Ethereum, the most recent to join the rally, is up 22%, highlighting both assets' resilience against the inflation-driven fiat currency system. Technically, Bitcoin has broken above the long-standing \$119,000 resistance, touching \$122,000 this morning. The immediate resistance is at \$125,000, and a break above this level could open the way toward the next target of \$150,000.

KEY LEVELS:

- **Resistance:** \$125,000
- **Next Target:** \$150,000



TRUMP'S TARIFF DIPLOMACY: ALLIES OR TARGETS



TRUMP SIGNALS 250% TARIFF ON IMPORTED DRUGS

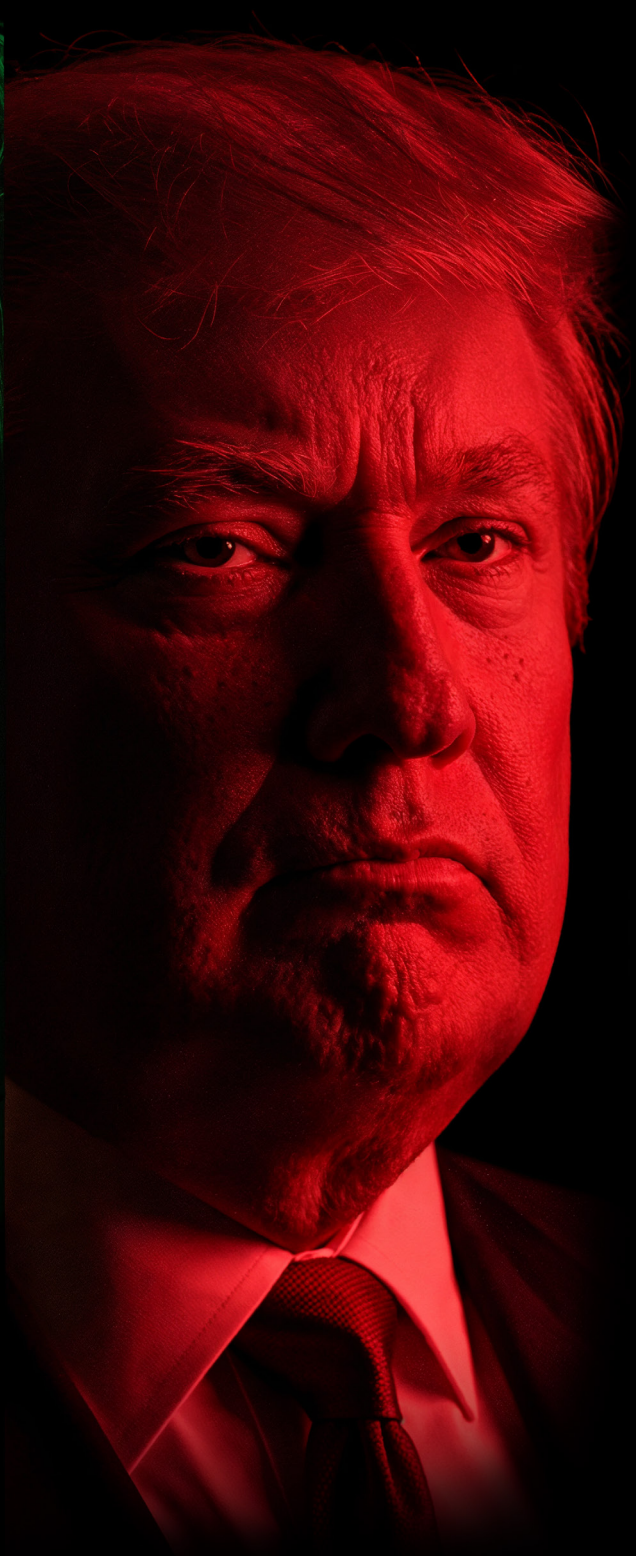
Donald Trump told CNBC that imported pharmaceuticals could face tariffs of up to 250% over the next 1 to 1.5 years, starting with lower rates. The move aims to bring drug manufacturing back to the U.S., but experts warn this could raise prices, disrupt supply chains, and increase risks for patients. For now, the plan's implementation details remain unclear.

INDIA FACES TARIFF THREAT OVER RUSSIAN OIL

Trump threatened India with a 25% tariff and potential sanctions if it continues purchasing oil and military equipment from Russia. India responded by stressing its energy policies are guided by market dynamics and strategic interests. Analysts see this as a major policy shift from the previous U.S. administration's softer stance, signaling increased pressure on India to reconsider its global alliances and energy strategies.

TRUMP TARGETS SWISS EXPORTS WITH 39% TARIFF

A 39% tariff on Swiss goods, effective August 7, has been imposed by President Trump, drawing strong backlash from Swiss industry leaders. Key exports like pharmaceuticals, luxury watches, and chocolate are expected to be hit hard. Despite Switzerland's efforts to renegotiate and avoid escalation, U.S. Trade Representative Jamieson Greer indicated there would be no immediate easing of tariffs. Switzerland, for now, is opting to keep talks open and avoid a full-blown trade war.



TRUMP'S FED PLAYBOOK: REPLACE, RESHAPE, REDUCE RATES



SURPRISE FED RESIGNATION: POLICY SHIFT ON THE HORIZON?

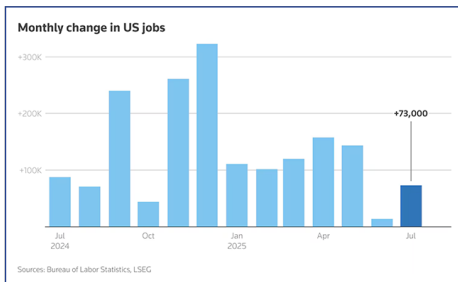
Federal Reserve Board member Adriana Kugler will step down on August 8, well before her term ends in January 2026. While Fed Chair Jerome Powell praised her academic contributions, the timing of her resignation raises eyebrows amid rising pressure from President Trump for rate cuts. Treasury Secretary Scott Bessent confirmed that a shortlist for the next Fed Chair is being finalized and could be announced by year-end. With Powell's term ending in May 2026, the simultaneous departure of two key Fed figures could signal a policy shift and reignite debates over the Fed's independence.

TRUMP SHORTLISTS FOUR CANDIDATES FOR FED CHAIR

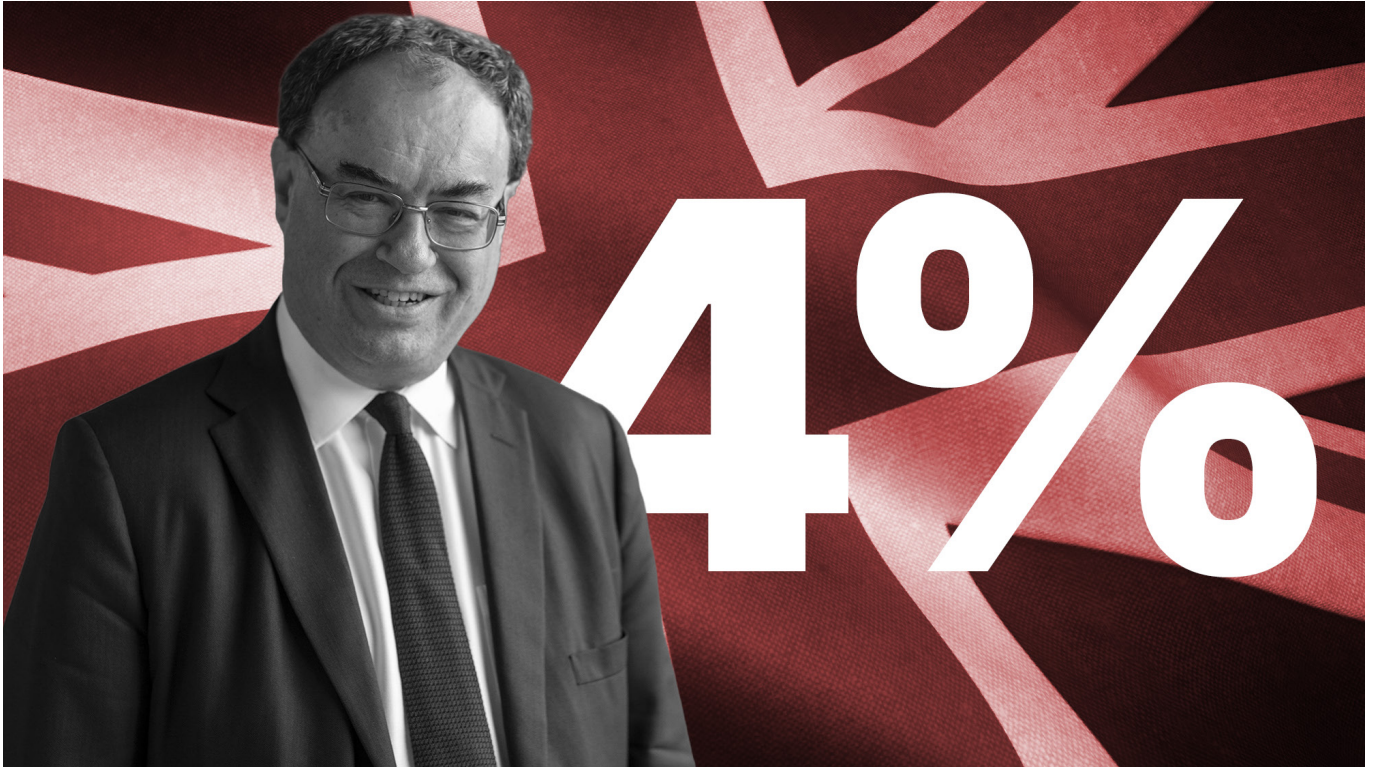
President Trump told CNBC he has narrowed the field of potential Fed Chair picks to four, excluding Treasury Secretary Scott Bessent, who plans to remain in his current role. Leading contenders include former Fed Governor Kevin Warsh, economic advisor Kevin Hassett, and current Governor Christopher Waller, all seen as favoring easier monetary policy. Trump also welcomed Kugler's resignation, noting it offers more flexibility for reshaping Fed leadership.

TRUMP ACCUSES BLS COMMISSIONER OF DATA FRAUD

President Trump has demanded the removal of Bureau of Labor Statistics (BLS) Commissioner Erika McEntarfer, accusing her of manipulating employment figures for political purposes. He labeled McEntarfer as a "Biden appointee" after criticizing the BLS's downward revision of 258,000 jobs from May and June. The call has alarmed economists and statisticians, who warn that political interference threatens the credibility of official economic data and the independence of statistical agencies.



BOE CUTS RATE TO 4% AMID TIGHT VOTE AND INFLATION CONCERNS



The Bank of England has lowered its benchmark interest rate by 25 basis points to 4%, which marks the first cut since spring 2023. The decision followed a narrow vote within the Monetary Policy Committee, with five members supporting the cut and four preferring to hold. Notably, it is the first time in BoE history that a rate decision required two rounds of voting to reach a majority. This highlights the central bank's delicate task of balancing growth and inflation control.

Governor Andrew Bailey called the move "gradual and careful," reflecting the BoE's cautious approach to further easing. Inflation is projected to peak at 4% in September, but new payroll taxes and an increased minimum wage are starting to pressure the UK labour market. Approximately 185,000 jobs have been lost since the fiscal reforms introduced by the Labour government came into effect. Still, the BoE modestly raised its 2025 GDP growth forecast to 1.25%, signalling measured optimism.

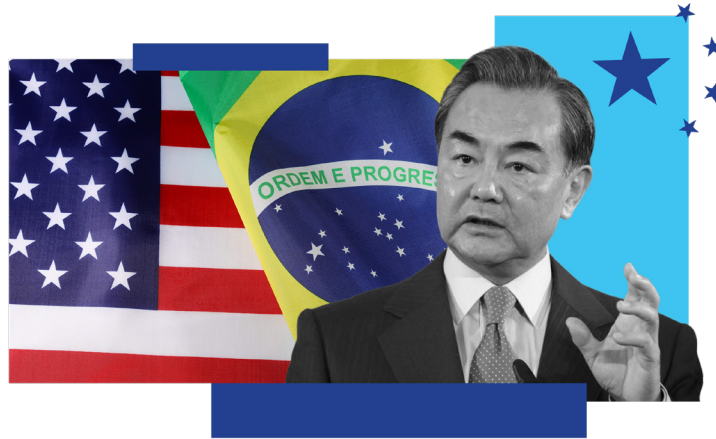
Beyond interest rates, the BoE hinted at possible adjustments to its quantitative tightening strategy. Market stress in long-dated gilts has drawn attention, and officials plan to revisit their bond sale program at the next meeting. With one additional rate cut now priced in for later this year and a medium-term policy rate target near 3.5% by 2026, future decisions will largely depend on inflation trends and labour market resilience.

Market Roundup

CHINA BACKS BRAZIL AS U.S.-RUSSIA TALKS ADVANCE; APPLE EXPANDS INVESTMENT

China's Foreign Minister Wang Yi voiced support for Brazil against what he called the U.S.'s "arbitrary" tariffs, promising closer ties. The remarks followed President Trump's announcement of a 50% tariff on Brazilian imports linked to political tensions surrounding ex-President Bolsonaro.

President Lula affirmed Brazil would defend its position through global institutions like the WTO. Tensions rose further after Washington sanctioned a Brazilian Supreme Court judge involved in the Bolsonaro investigation.



Meanwhile, Russian Advisor Yuri Ushakov described a "constructive" three-hour meeting in Moscow between President Putin and Trump's special envoy Steve Witkoff. Discussions centered on the Ukraine conflict and possible U.S.-Russia cooperation, ahead of Trump's ceasefire deadline and the risk of 100% tariffs.

Separately, Apple raised its U.S. investment plan by \$100 billion, reaching over \$600 billion in four years. The plan includes a Texas factory, AI and chip R&D, a manufacturing academy, and expansions across at least nine states, benefiting suppliers, employees, and digital infrastructure nationwide.

President Trump's nomination of Stephen Miran to the Federal Reserve Board introduces new political dynamics, with Miran set to temporarily replace Adriana Kugler until early 2026. His critical stance on past Fed policies and alignment with Trump's preference for low interest rates may challenge Fed Chair Jerome Powell's direction. The nomination awaits Senate approval in September. Atlanta Fed President Bostic stated it's too early to commit to a September rate cut, but suggested only one 25-basis-point cut may be needed in 2025.

Rate cut speculations, along with U.S. tariffs on 1-kg gold bar imports, drove gold futures to a record high on Friday. Spot gold dropped 0.3% to \$3,386 per ounce but is up 0.7% this week, set for a second consecutive gain. The price difference between New York futures and spot gold widened to over \$100 after the tariff increase, threatening to disrupt global gold trade, particularly impacting Switzerland, the largest gold refining hub.

S&P affirmed China's A+ credit rating with a stable outlook, citing government fiscal support despite real estate and trade challenges. The agency expects 4%+ growth over the next two years. Meanwhile, Intel's shares dropped 4.5% after Trump called for the resignation of board member Lip-Bu Tan over alleged ties to China's military, escalating tensions in U.S. tech and national security.

The Week Ahead

Markets are set for a quiet start on Monday, August 11, with Japan closed for Mountain Day and no major global data releases scheduled.

Momentum builds on Tuesday as the U.S. releases key inflation figures. July's Core CPI and headline CPI will be closely examined for signs that disinflation is continuing. Forecasts point to a 0.3% monthly increase in core prices and annual inflation at 2.8%, slightly higher than the prior readings. Any softness could strengthen expectations for Fed rate cuts.

On Wednesday, attention turns to Europe with Germany's July CPI, expected to rise 0.3% month-over-month. Later in the day, U.S. Crude Oil Inventories will be reported, following last week's drawdown of more than 3 million barrels.

Thursday brings a data-heavy session for the UK, with full GDP figures for Q2. Both monthly and quarterly results will gauge the economy's momentum, with annual growth likely to remain near 1.3% and quarterly GDP potentially showing no change. In the U.S., PPI and Initial Jobless Claims will be watched as well, with filings projected at 226K, highlighting any labor market softening.

The week concludes on Friday with Japan's Q2 GDP, expected to edge up 0.1%, and U.S. Retail Sales, which will provide insight into consumer demand. July sales are forecast to rise 0.5%, following a solid 0.6% increase in June.





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