

# ZITAPLUS

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# RIKSBANK SURPRISES MARKETS WITH RATE CUT





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TIME	CUR.	EVENT	FORECAST	PREVIOUS
TUESDAY, SEPTEMBER 30				
05:30		Manufacturing PMI (Sep)	49.6	49.4
10:00		GDP (QoQ) (Q2)	0.3%	0.7%
17:45		Chicago PMI (Sep)	43.2	41.5
18:00		CB Consumer Confidence (Sep)	95.3	97.4
18:00		JOLTS Job Openings (Aug)	7.150M	7.181M
WEDNESDAY, OCTOBER 1				
ALL DAY		China - National Day		
13:00		CPI (YoY) (Sep)	2.2%	2.0%
16:15		ADP Nonfarm Employment Change	53K	54K
17:45		S&P Global Manufacturing PMI (Sep)	52.0	52.0
18:00		ISM Manufacturing PMI (Sep)	49.1	48.7
18:00		ISM Manufacturing Prices (Sep)	64.5	63.7
THURSDAY, OCTOBER 2				
ALL DAY		China - National Day		
16:30		Initial Jobless Claims	229K	218K
FRIDAY, OCTOBER 3				
ALL DAY		China - National Day		
16:30		Average Hourly Earning (MoM) (Sep)	0.3%	0.3%
16:30		Nonfarm Payrolls (sep)	51K	22K
16:30		Unemployment Rate (Sep)	4.3%	4.3%
17:45		S&P Global Service PMI (Sep)	53.9	53.9
18:00		ISM Non-Manufacturing PMI (Sep)	52.0	52.0
18:00		ISM Non-Manufacturing Prices (Sep)		69.2

# RIKSBANK SURPRISES MARKETS WITH RATE CUT



Sweden's central bank delivered an unexpected policy move in September 2025, cutting its benchmark rate by 25 basis points to 1.75%. Markets had believed that rates would remain the same, making the decision a notable departure from expectations. Policymakers said the cut was intended to reinforce economic activity and steer inflation toward its medium-term target.

## INFLATION PRESSURES SEEN AS TEMPORARY

The Riksbank noted that while inflation has been elevated, recent data suggest these pressures are likely short-lived. Officials believe the underlying conditions for stronger growth remain intact, with the rate reduction expected to encourage borrowing, investment, and private sector spending.

## KEY RISKS IN FOCUS

Despite the proactive easing, the central bank flagged external headwinds that could alter its policy path:

- Geopolitical tensions remain a source of volatility for global trade and investment.
- U.S. trade policy uncertainty poses risks for Sweden's export-driven economy.
- Long-term price pressures could re-emerge if global inflationary forces strengthen.

## OUTLOOK FOR MONETARY POLICY

Officials stressed that the policy rate will likely stay at its new level "for some time," assuming the outlook for inflation and growth holds steady. The move highlights the fine line central banks must walk between supporting demand and containing inflationary risks.

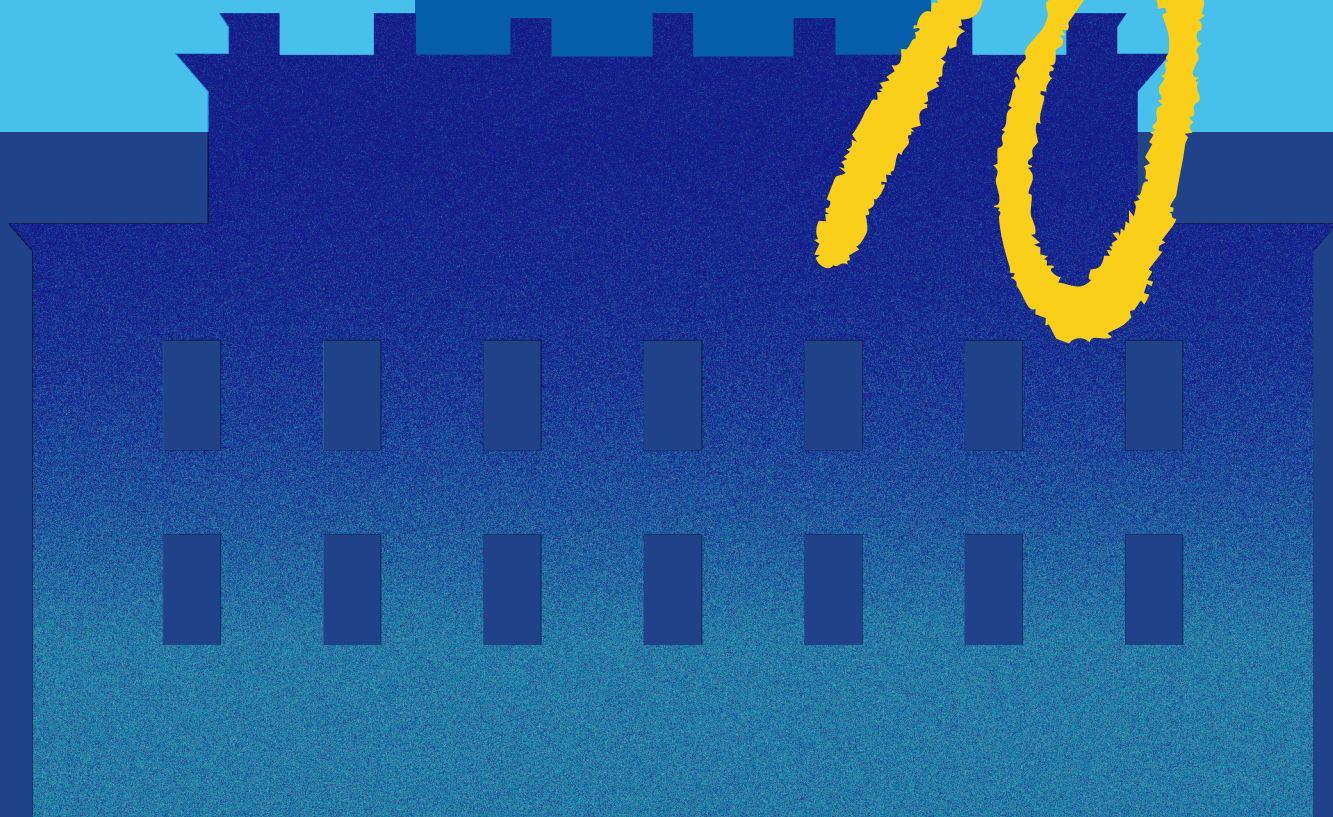
## MARKET REACTION AND NEXT STEPS

Attention now shifts to upcoming economic indicators and inflation readings, which are expected to provide signals about the Riksbank's next move. For the moment, Sweden's surprise rate cut signals a proactive stance designed to sustain growth and protect price stability in an increasingly uncertain global environment.





10%



## EURUSD

### EUR/USD HOLDS FIRM AROUND 1.1720

EUR/USD opened the week near 1.1720 in Asia, extending gains for a second session. The pair is supported by dollar weakness after softer U.S. inflation reinforced expectations of Fed rate cuts, while European markets anticipate the ECB nearing the end of its easing cycle.

#### Key Levels:

- **Support:** 1.1690, followed by 1.1595 if broken
- **Resistance:** 1.1785 and 1.1825



## XAUUSD

### GOLD MARKS FRESH RECORD ABOVE \$3,830/OZ

Gold climbed above \$3,830/oz on Monday, setting a new record as stronger Fed rate-cut expectations and a softer dollar lifted demand. PCE inflation data came in line with forecasts, reinforcing the view that easing could continue later this year.

Technically, the bias remains positive while prices hold above \$3,790.

#### Technical Outlook (XAU/USD):

**Resistance:** \$3,850 and \$3,910

**Support:** \$3,780–82





## BRENT OIL

### BRENT CRUDE SLIPS BELOW \$68/BARREL

Brent crude futures fell under \$68 per barrel on Monday as Iraq's Kurdish Regional Government resumed exports after 2.5 years and OPEC+ signaled further output increases, heightening oversupply concerns.

Key support stands at \$65.15.



## BTCUSD

### BITCOIN HOLDS LOWER AFTER FED

Bitcoin remains under pressure following the Fed's move, repeatedly testing support at \$107,200. Resistance stands at \$118,000, and failure to break above this level keeps downside risks in place.



## A NATION IN CRISIS: WHO WILL SAVE ARGENTINA?



Argentina is once again in the grip of a severe economic storm. Inflation is spiraling, poverty is rising, and debt obligations are becoming harder to meet. President Javier Milei has responded with a radical libertarian program, pledging deep spending cuts and strict fiscal discipline. While aimed at restoring stability, these measures have intensified the hardship felt by millions, raising the question: Will anyone step in to back his gamble?



### MILEI'S RISKY BET

Milei's rise has captivated the world, often likened to Donald Trump for his combative style and outsider appeal. Unlike Trump, however, Milei is pushing reforms in a country on the edge of collapse. His government argues austerity is the only path forward, but the impact is already visible in everyday life. For creditors, his fiscal resolve may look credible, yet the potential for unrest makes Argentina a fragile partner.



### LIMITED INTERNATIONAL

Globally, Argentina's avenues for support are narrowing:

- **IMF:** The most likely lender, though its strict conditions may clash with Milei's anti-establishment rhetoric.
- **Brazil and Mexico:** Both appear hesitant to extend major assistance.
- **China:** Reluctant to increase its financial exposure.
- **United States:** Could offer help, but only if it serves Washington's strategic interests.

So far, no clear backer has stepped forward.



### HIGH STAKES AHEAD

If Milei's gamble works, history may see it as a painful but necessary correction that finally breaks Argentina's cycle of debt and default. If it fails, another sovereign default could follow, dragging the country deeper into crisis and unsettling emerging markets worldwide.

Argentina's struggle underscores a broader truth: in an interconnected world, no country can recover alone. Whether Milei secures outside support, or chooses to push ahead without it, will determine both his political survival and the fate of Argentina's fragile economy.



# DOT-COM: AI DRIVING THE NEXT DIGITAL WAVE



The dot-com era transformed global business, opening the door to digital platforms and online models. Today, companies that merge dot-com strategies with AI are setting the pace for growth. AI tools personalize customer experiences, simplify operations, and forecast trends with precision.

## HOW AI SHAPES ONLINE PLATFORMS

Artificial intelligence is now a central force in digital business. Chatbots, recommendation engines, and analytics allow platforms to run at scale with greater efficiency. By adopting AI, businesses cut costs, improve decisions, and build stronger customer satisfaction.

## KEY BENEFITS OF AI FOR DOT-COM VENTURES:

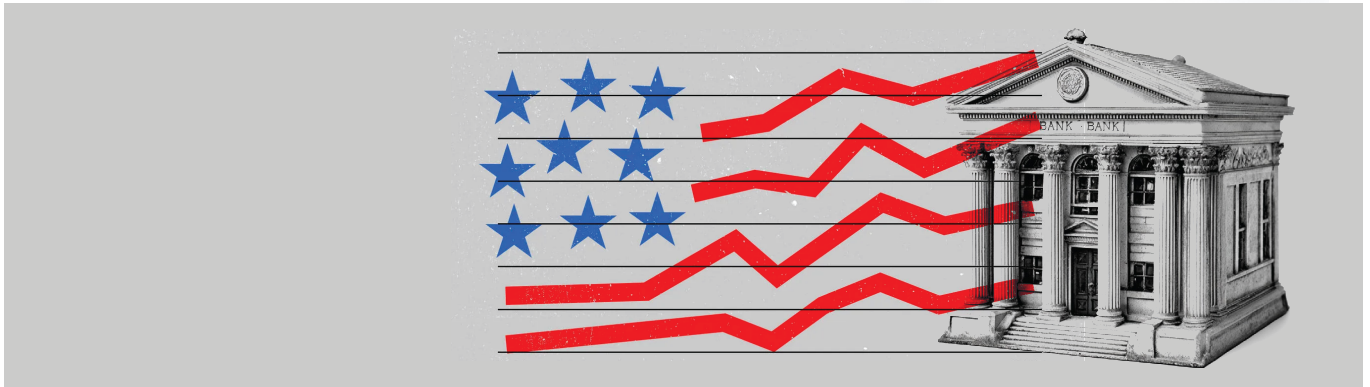
- **Lower operational costs**
- **Faster, data-driven decisions**
- **Personalized user experiences**
- **Scalable efficiency across platforms**

Dot-com platforms powered by AI deliver sharper marketing and sales. Real-time behavioral insights fuel personalized campaigns that increase engagement and drive higher conversion rates. This synergy is reshaping digital marketing and e-commerce strategies worldwide.

## THE NEXT PHASE OF INNOVATION

Dot-com businesses that adopt AI are expected to lead the way in innovation. From smarter search algorithms to automated content creation, the opportunities seem to be infinite. Success will depend on combining the foundations of the dot-com era with the transformative potential of AI.

## US ECONOMY POSTS STRONGEST Q3 OF 2025, PMI



The US economy delivered its strongest quarterly performance of 2025 in Q3, according to preliminary Purchasing Managers' Index (PMI) data from S&P Global. While the results came in slightly below expectations, both the services and manufacturing sectors remained in expansion territory, underscoring resilience across the economy.

### SERVICES AND MANUFACTURING PERFORMANCE

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### SERVICES AND MANUFACTURING PERFORMANCE

The services PMI eased to 53.9 in September from August's reading but continued to point to steady growth momentum.

The manufacturing PMI held at 52, above the neutral 50 threshold, marking ongoing expansion. Though output growth was slower than earlier in the year, demand remained firm enough to sustain positive activity. Together, these readings suggest annualized GDP growth of around 2.2%. For comparison, the Atlanta Fed's GDPNow tracker had placed Q3 growth higher at 3.3%, indicating that the economy performed better than many feared despite ongoing challenges.

### LABOR MARKET DYNAMICS

The labor market showed mixed signals. Companies continued to hire, but job creation slowed as businesses cited weaker demand and rising costs.

This hiring moderation reflects pressure on corporate margins but also points to easing inflationary risks, offering some relief to consumers facing persistent price increases.

### INFLATION OUTLOOK

Inflation remains above the Federal Reserve's 2% target but has shown signs of moderation. Softer labor demand and more contained price growth may help the Fed in its efforts to guide inflation lower without tipping the economy into recession.

### MARKET AND POLICY IMPLICATIONS

The combination of steady growth, resilient job creation, and moderating inflation has reinforced expectations of a "soft landing" for the US economy. Investors now focus on whether the Fed will adjust its pace of policy easing, with upcoming data likely to determine the central bank's next moves.



## ALIBABA RALLY HIGHLIGHTS HYPE RISKS



Alibaba shares have soared nearly 50% in recent weeks, sparking debate over whether the rally signals genuine growth potential or yet another phase of speculative excess in the technology sector. The sharp move has drawn comparisons to previous periods of heightened enthusiasm in global tech markets, where valuations often outpaced fundamentals.

### DRIVERS BEHIND THE RALLY

Investors are pointing to two key factors fueling the surge:

- **Artificial intelligence optimism:** Alibaba has positioned itself as a leading player in China's fast-growing AI sector, tapping into global excitement around machine learning and cloud computing.
- **E-commerce recovery:** Signs of stabilizing demand in online retail, combined with easing regulatory headwinds, have increased expectations for Alibaba's core business rebound.

While these developments are positive, analysts argue that the scale of the stock's advance far exceeds the pace of earnings improvement.

### RISKS OF OVERHEATING

Market strategists caution that the rally's steepness places Alibaba in what many describe as the "danger zone" of hype cycles. The company's weekly gains have been unusually consistent, a pattern that often attracts short-term speculative trading. Such inflows can reverse just as quickly once momentum slows, leading to sharp corrections.

"Strong fundamentals can support long-term growth, but when price action becomes vertical, it raises the risk of a sudden pullback," one equity strategist noted.

### A BROADER MARKET LESSON

Alibaba's performance highlights a recurring challenge in tech investing: separating sustainable growth from speculative fervor. Innovative themes like AI can capture global attention, but history shows that cycles of hype and correction are unavoidable.

For investors, the key is timing and discipline. Distinguishing between durable earnings potential and short-lived momentum remains critical, especially as markets balance optimism about innovation with concerns over valuations.

## OECD SEES GLOBAL GROWTH, WARNS OF VOLATILITY



The OECD raised its global growth forecast, citing unexpectedly resilient performance in major economies. Robust US consumer demand and continued fiscal support in advanced markets have driven much of the upward revision. Still, the organization warned that the outlook remains fragile, with uncertainty clouding trade, finance, and politics.

### EMERGING MARKETS AT A CROSSROADS

Emerging economies present a mixed picture. Some are benefiting from stabilizing commodity prices, while others are weighed down by weak currencies and rising borrowing costs. Inflation pressures continue to test central banks, leaving policymakers caught between growth support and price stability.

### DOWNSIDE PRESSURES

The OECD stressed that missteps in policy or communication could quickly trigger turbulence in global markets. It called for stronger coordination to safeguard recovery.

- Trade disputes could reignite volatility
- Tighter financial conditions may strain debt-heavy economies
- Political uncertainty risks undermining investor confidence
- Poorly timed or abrupt policy shifts could destabilize markets

### THE CALL FOR REFORM

The report concluded that coordinated global policies, transparent communication, and structural reforms will be critical to sustain momentum. Without these measures, the recovery could falter, leaving the global economy vulnerable to renewed shocks.



# Market Roundup



## GERMAN BANKRUPTCIES RISE

Germany recorded 207 large corporate bankruptcies in the first half of 2025, with 29 cases coming from the auto supplier sector. Overall, insolvencies climbed 12% year-on-year to reach 12,000, reflecting mounting strains on Europe's industrial backbone as higher financing costs and sluggish demand weigh on companies.

## TETHER EYES \$500 BILLION VALUATION

Stablecoin giant Tether is in discussions with top global investors for a significant capital raise that could value the company at up to \$500 billion. The move highlights Tether's growing dominance in digital finance and underscores how investor appetite for crypto-linked assets remains strong despite regulatory scrutiny.

## US-CHINA TENSIONS REMAIN HIGH

Geopolitical friction between Washington and Beijing continues, with disputes centered on rare earth supply chains and TikTok's global operations. The tensions add another layer of uncertainty for global markets, even as Boeing moves closer to completing a large aircraft orders deal that could bolster its long-term outlook.

## MORGAN STANLEY EXPANDS INTO CRYPTO

Morgan Stanley is planning to introduce Bitcoin, Ether, and Solana trading for clients on its E\*TRADE platform by early 2026. The service will be enabled through a partnership with crypto infrastructure provider Zerohash, signaling a major step in integrating digital assets into mainstream brokerage offerings.

## OPENAI PUSHES STARGATE AI AMBITIONS

OpenAI is scaling up its Stargate AI project with a \$400 billion investment plan. Backed by SoftBank and Oracle, the initiative includes building five new US data centers to power next-generation artificial intelligence systems. The expansion marks one of the largest infrastructure commitments in the AI sector to date.

# The Week Ahead

Global markets will focus on key data from the US, Europe, and Asia, with investors watching labor markets, inflation, PMIs, and central bank signals for growth and policy direction. Major highlights include US nonfarm payrolls, Eurozone inflation, China PMIs, and policy speeches.

## AMERICAS

In the US, labor market data takes center stage. Nonfarm payrolls are expected to rise 51K in September (from 22K), unemployment is steady at 4.3%, and wages are up 0.3%. Other releases: JOLTS (7.1M), ADP (+30K), job cuts, ISM PMIs, consumer confidence, housing, Case-Shiller and FHFA prices, and factory orders. Markets will also watch Fed commentary and US funding talks ahead of a potential Oct 1 shutdown. Elsewhere, Mexico's central bank meets, while Canada, Brazil, and Mexico report PMIs and labor data.

## EUROPE

Eurozone CPI is forecast at 2.3% for September, with Spain (3.1%), Germany (2.3%), Italy (1.7%), and France (1.3%). Turkey's inflation may ease to 32.5%, while Switzerland edges up to 0.3%. Labor markets: Germany 6.3%, Italy 6.2%, Spain 6.1%. Other data include German retail sales rebounding, Italy's flat performance, French industrial output's recovery, Eurozone business surveys, and the Swiss KOF indicators. UK releases include Chancellor Reeves' speech, final Q2 GDP, current account, mortgage lending, and house prices. The Swiss National Bank and Sweden's Riksbank are expected to set rates, both of which are expected to remain unchanged.

## ASIA-PACIFIC

China's NBS PMIs are due, showing slight contraction in manufacturing and soft services growth, along with industrial profits before the Oct 1–8 holiday. Japan reports the Q3 Tankan survey, consumer confidence, industrial production, retail sales, unemployment, housing starts, and BoJ minutes. Australia and India are expected to hold rates, with Australia's trade surplus possibly widening. Other updates include inflation in Indonesia and South Korea, South Korea's trade and confidence data, Hong Kong and Thailand trade, and PMI surveys across the region.









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