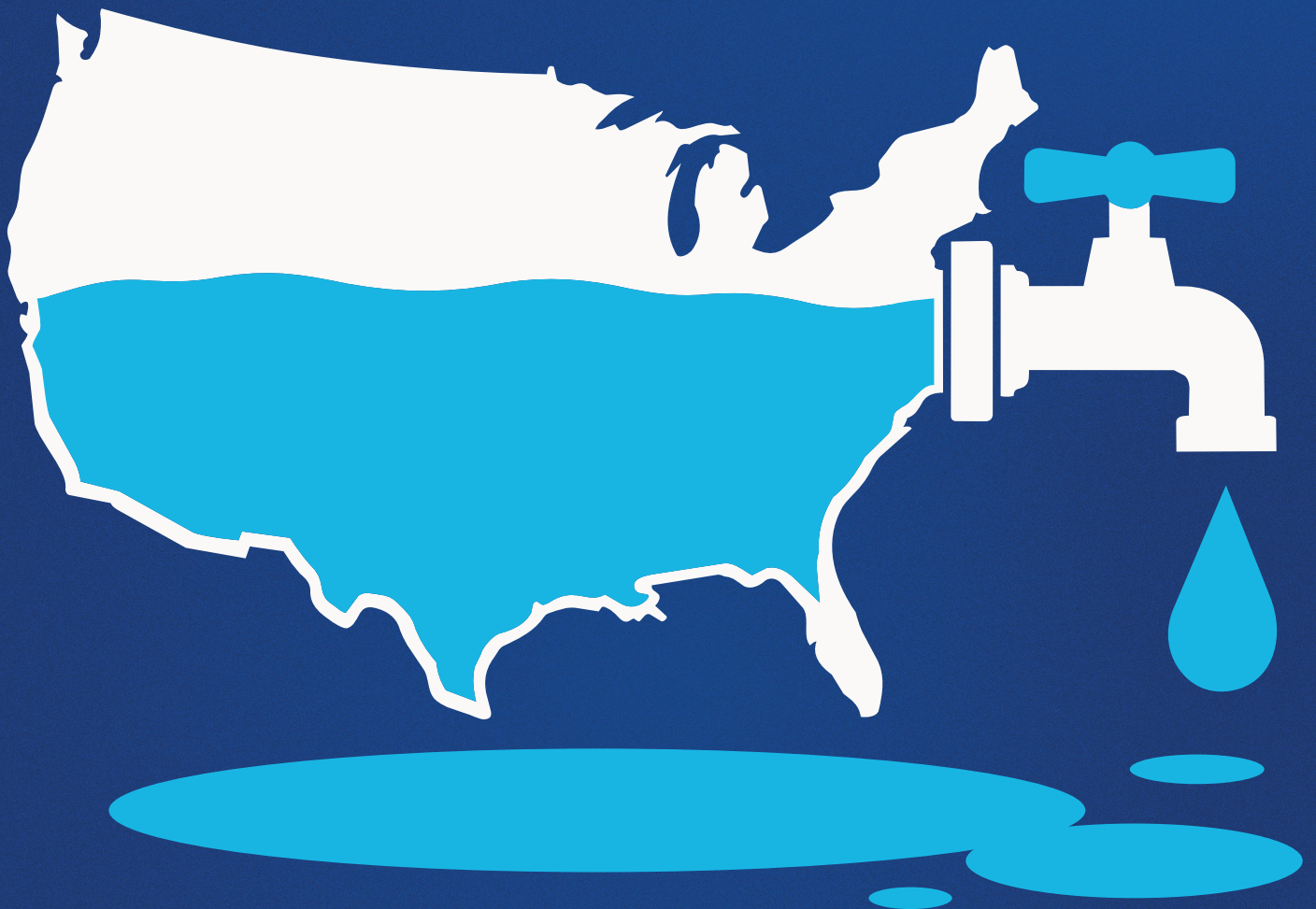


ZITAPLUS

WEEKLY BULLETIN

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US WEIGHS DIESEL EXPORT RESTRICTIONS



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TIME	CUR.	EVENT	FORECAST	PREVIOUS
TUESDAY, SEP 29				
18:00		CB Consumer Confidence (Sep)	90.1	89.4
18:00		JOLTS Job Openings (Aug)	7.230M	7.271M
WEDNESDAY, SEP 30				
05:30		Manufacturing PMI (Sep)	50.1	49.8
10:00		GDP (QoQ) (Q2)	0.4%	0.4%
10:00		GDP (YoY) (Q2)	1.2%	1.2%
16:00		German CPI (MoM) (Sep)	-	0.2%
16:15		ADP Nonfarm Employment Change (Sep)	70K	38K
16:30		Core PCE Price Index (YoY) (Aug)	3.4%	3.3%
16:30		Core PCE Price Index (MoM) (Aug)	0.3%	0.2%
16:30		GDP (QoQ) (Q2)	1.5%	1.5%
17:45		Chicago PMI (Sep)	51.3	47.1
THURSDAY, OCT 1				
ALL DAY		China - National Day	-	-
16:30		Initial Jobless Claims	199K	197K
17:45		S&P Global Manufacturing PMI (Sep)	57.0	57.0
18:00		ISM Manufacturing PMI (Sep)	55.0	54.6
18:00		ISM Manufacturing Prices (Sep)	72.0	71.1
FRIDAY, OCT 2				
ALL DAY		China - National Day	-	-
13:00		CPI (YoY) (Sep)	3.7%	3.2%
16:30		Nonfarm Payrolls (Sep)	98K	162K
16:30		Unemployment Rate (Sep)	4.1%	4.1%
16:30		Average Hourly Earnings (MoM) (Sep)	0.3%	0.3%

US WEIGHS DIESEL EXPORT RESTRICTIONS



Record diesel prices are increasing pressure on US farmers, trucking companies and other fuel-intensive industries, prompting debate over whether restricting exports could help ease domestic costs.

Average diesel prices have climbed above \$6.50 per gallon, as supply disruptions linked to conflicts in Iran and Ukraine tighten global refined-product markets. The increase is also raising inflation concerns, as higher fuel expenses feed into transportation, agriculture and other parts of the economy.

TRUMP BACKS EXPORT RESTRICTIONS

President Donald Trump has supported the idea of restricting US diesel exports to increase domestic supply and potentially lower prices.

Treasury Secretary Scott Bessent said the administration is considering whether a full or partial restriction would be workable. The proposal has also attracted support from some Republican lawmakers in agricultural states, where high fuel costs are putting additional pressure on farm incomes.

However, the White House has denied reports that a fixed 90-day export ban has already been approved.

REFINERY IMPACT RAISES CONCERNS

The proposal has faced opposition from parts of the administration and the energy industry. Energy Secretary Chris Wright warned that a broad restriction could disrupt refinery economics.

US refineries produce diesel alongside gasoline and jet fuel. If refiners lose access to overseas diesel markets, they could respond by reducing overall production. This could tighten supplies of other fuels and potentially push gasoline or jet fuel prices higher.

GLOBAL SUPPLY REMAINS KEY

US diesel exports reached approximately 1.6 million barrels per day in August, meaning any significant restriction could affect both domestic refiners and international fuel markets.

The debate shows the difficulty of addressing record diesel prices through export policy alone. While restrictions could leave more fuel available domestically, their wider impact on refinery output remains uncertain.

For now, diesel prices will continue to depend on US policy decisions, refinery availability, geopolitical disruptions and the pace at which global fuel supplies recover.



EURUSD

EURO NEAR JUNE LOW AT \$1.135

The euro slipped toward \$1.135, its lowest since June 26, as a stronger dollar and rising Treasury yields weighed on the pair. Lagarde said the inflation outlook for 2027 and 2028 has shifted higher, largely due to high energy prices, while maintaining that a measured policy response remains appropriate. Markets are now pricing in around 100 basis points of ECB rate hikes by the end of 2027.

From a technical perspective, 1.1325 is the key support to watch, while 1.1410 marks the first major resistance. The pair could remain under pressure unless it moves back above this level.



BRENT OIL

BRENT AT \$103 AS SAUDI FLOWS RESUME

Brent traded near \$103 a barrel after Saudi Arabia resumed shipments through its East-West pipeline, easing near-term supply concerns. However, uncertainty around the reopening of the Strait of Hormuz keeps geopolitical risk in focus.

Technically, \$100 is the first key support, followed by \$89.15. On the upside, \$105-\$106 is the first resistance zone, followed by \$110-\$112 and \$120.



XAUUSD

GOLD FALLS TOWARD \$4,140

Gold dropped to around \$4,140, its lowest since August 5, as higher oil prices fueled inflation concerns and strengthened expectations for tighter Fed policy. A firmer US dollar and Treasury yields near 19-year highs added further pressure.

The short-term outlook remains bearish, with \$4,040-\$4,050 emerging as the next downside area if selling continues. Markets now await US PCE inflation and nonfarm payrolls for fresh direction.



XAGUSD

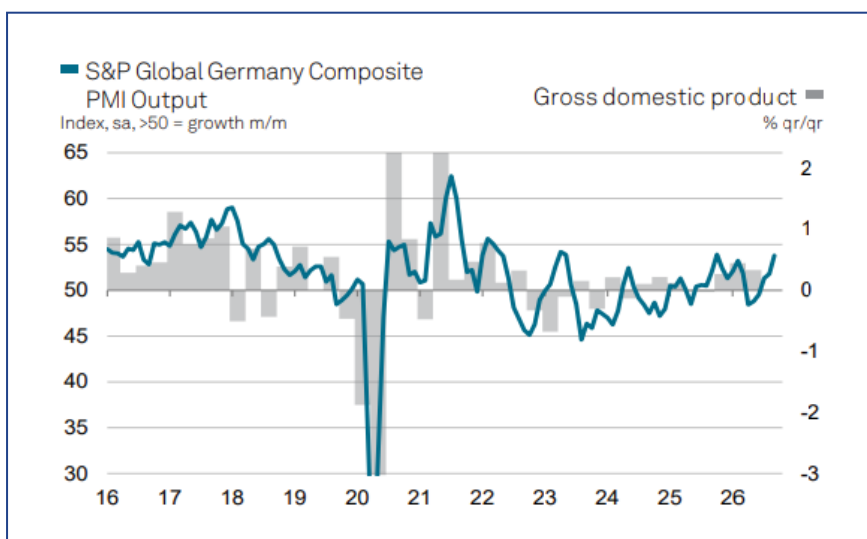
SILVER DROPS TOWARD \$61

Silver dropped more than 4% toward \$61, reaching its lowest since August 7 as rising oil prices fueled inflation concerns and strengthened expectations for prolonged tight Fed policy. A stronger US dollar and Treasury yields near 19-year highs added to the pressure.

Technically, \$59.45-\$59.50 remains a key support area. As long as silver stays below \$65.50, the short-term outlook remains tilted to the downside.



GERMAN PRIVATE SECTOR GROWTH ACCELERATES



Germany's private sector recorded its strongest expansion in almost a year in September, supported by a recovery in services and stronger demand.

The S&P Global Flash Composite PMI Output Index rose to 53.8 from 51.8 in August, reaching its highest level since October last year and pointing to stronger economic activity at the end of the third quarter.

SERVICES RETURN TO GROWTH

The improvement was led by the services sector. The Business Activity Index climbed to 52.9 from 49.7, ending five consecutive months of contraction and reaching its highest level since February.

Manufacturing also continued to expand. The Manufacturing Output Index stood at 55.9, although the headline Manufacturing PMI slipped to 53.8 from 54.3, marking a two-month low.

Demand strengthened across both sectors. New orders increased for a third consecutive month and at the fastest pace since February 2022. Companies reported stronger investment spending alongside a broad improvement in export demand.

EMPLOYMENT AND BACKLOGS INCREASE

Stronger demand also added to capacity pressures. Outstanding work increased for a second month, with backlogs rising at their fastest pace since May 2022.

Businesses responded by increasing employment. Although job creation remained modest, it was the strongest in more than three years. Services led the improvement, while manufacturing employment moved closer to stabilisation.

ENERGY COSTS REVIVE INFLATION PRESSURE

Price pressures strengthened during September as businesses faced higher fuel and energy costs. Input prices increased at their fastest pace in four months, while selling prices recorded their strongest rise since May.

Services drove the increase, while factory gate price growth slowed to a six-month low.

Business confidence remained unchanged from August at its highest level since before the Middle East war began in February. For the ECB, stronger activity combined with renewed energy-driven inflation could complicate the policy outlook, particularly if higher costs prove more persistent than expected.

BITCOIN RALLIES DESPITE CLARITY ACT SETBACK

September delivered conflicting signals for crypto markets as the highly anticipated CLARITY Act stalled in the Senate, while Bitcoin recovered strongly and US regulators moved ahead with separate digital-asset initiatives.

CLARITY ACT VOTE FALLS SHORT

The CLARITY Act failed to advance on September 15, with the Senate cloture vote ending 49-50, below the required 60 votes. The disagreement centered largely on ethics provisions concerning crypto holdings by public officials rather than the proposed SEC-CFTC market structure.

Bitcoin initially fell around 4% toward \$76,000, but the decline did not trigger widespread liquidations.

FED AND SEC ADD TO VOLATILITY

On September 16, the Federal Reserve unexpectedly raised rates by 25 basis points following stronger core inflation data. A day later, the SEC introduced its "Innovation Exemption," creating a regulatory route for qualifying platforms to trade tokenized US equities on-chain. The initiative complements Nasdaq's tokenization framework approved in March 2026, which operates through its existing order book and DTCC infrastructure. Platforms are expected to begin preparations under the SEC exemption in Q4 2026.

The market response suggested traders were increasingly focused on regulatory action outside Congress, particularly after the SEC moved quickly following the failed vote.

LAST WEEK'S PRICE ACTION

Bitcoin recovered rapidly after its initial decline:

- **September 19:** Rose 5.42% to \$85,706, reaching a two-week high.
- **September 22:** Reclaimed \$84,000 and moved above its 50-week moving average for the first time in 45 weeks.
- **September 23:** Fell 2.6% to \$84,525, with RSI at 72.24. Resistance stood at \$86,500-\$87,300 and support at \$85,000.
- **September 24:** Reached \$87,265, up 51% from July's \$57,700 low.
- **September 25:** Opened at \$84,378 and reached \$85,199 by mid-morning. Ethereum climbed from \$2,687 to \$2,738.

Bitcoin's market capitalization stands at \$1.74 trillion, still 31.29% below its \$126,080 record, with 24-hour volume at \$56.21 billion.

THREE-MONTH WINNING STREAK

September's roughly 10% gain puts Bitcoin on course for three consecutive positive months from July through September, a streak last recorded in 2012.

WHAT COMES NEXT

The next realistic opportunity for the CLARITY Act is the November-December lame-duck session. Until then, the SEC and CFTC are continuing their own regulatory efforts, with tokenized equities providing an early example of how agencies may move ahead while legislation remains stalled.

TREASURY YIELDS SURGE AS BOND SELLING DEEPENS



US Treasury markets faced renewed selling pressure as investors adjusted to expectations of tighter Federal Reserve policy and growing government debt supply. Yields climbed across the curve, pushing borrowing costs higher and increasing volatility across financial markets.

The 10-year Treasury yield approached 4.9%, while the 30-year yield moved above 5%, adding pressure to longer-duration bonds. Shorter maturities also weakened as investors reassessed how long restrictive monetary policy could remain in place.

FED EXPECTATIONS DRIVE YIELDS HIGHER

The adjustment has been particularly visible in the two-year Treasury market. The two-year yield moved more than 100 basis points above the effective federal funds rate, reflecting expectations for a significantly tighter policy path.

Persistent inflation concerns, resilient US economic data, and the possibility of additional Fed tightening have contributed to the repricing. Higher Treasury yields have also increased financing costs across other parts of the economy.

WEAK AUCTION ADDS TO SELLING PRESSURE

Bond market pressure intensified following a disappointing five-year Treasury auction. Primary dealer participation rose to its highest level since 2024, suggesting weaker demand from other buyers and leaving dealers to absorb a larger share of the issuance.

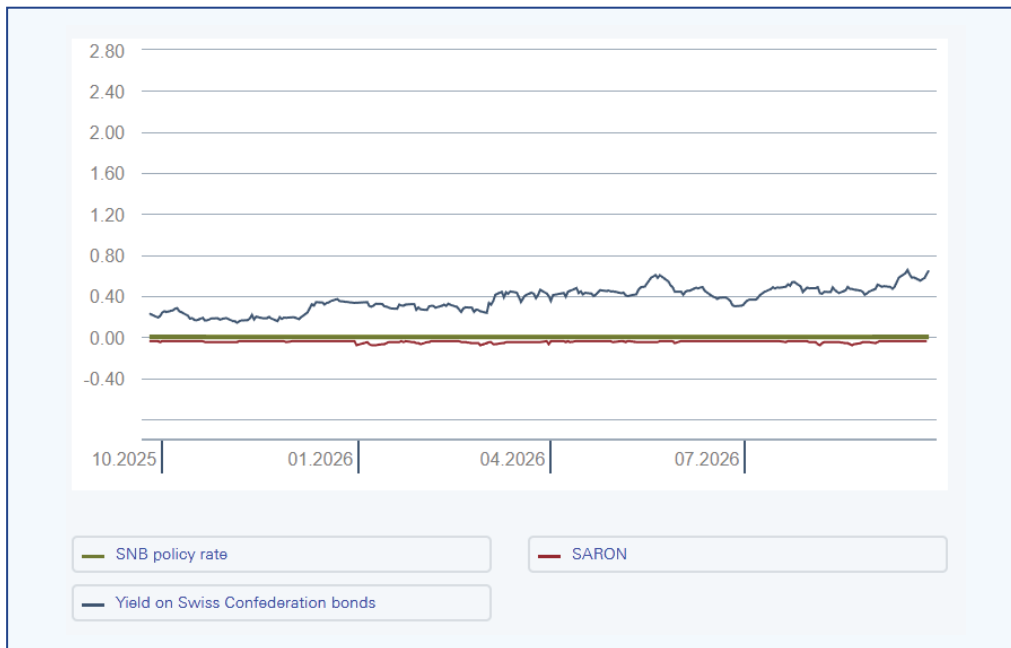
The auction reinforced concerns about the market's ability to handle heavy Treasury supply while investors are already demanding greater compensation for inflation, fiscal uncertainty and duration risk.

TREASURY SUPPLY REMAINS IN FOCUS

The combination of rising yields, softer auction demand and changing Fed expectations has produced one of the more volatile periods for US Treasuries in recent months.

With additional government debt issuance ahead, volatility could remain elevated. Investors will be watching whether higher yields eventually attract sufficient demand to stabilize the market. Persistent inflation and supply concerns, however, could continue to place upward pressure on Treasury yields and broader borrowing costs.

SNB KEEPS RATES AT ZERO



The Swiss National Bank kept its policy rate unchanged at 0%, maintaining the lowest benchmark rate in the world as inflation remains comfortably within its price stability range.

INFLATION REMAINS UNDER CONTROL

Swiss consumer inflation rose to 0.8% in August, its highest level in two years, but remained well within the SNB's 0-2% target range. The central bank expects inflation to increase temporarily to around 1.2% in the fourth quarter, mainly due to higher oil prices, before easing during 2027.

Average inflation is projected to remain between 0.7% and 0.8% through 2028, giving policymakers little immediate reason to tighten monetary conditions.

The decision was widely expected, with economists surveyed by AWP unanimously forecasting no change. It contrasts with recent moves by other major central banks, including rate increases from the ECB and Federal Reserve.

GROWTH OUTLOOK IMPROVES

The SNB also raised its 2026 GDP growth forecast to 1.5-2%, compared with around 1% previously. The bank pointed to continued external demand and a weaker Swiss franc as supportive factors.

However, policymakers highlighted several risks to the outlook:

- **Middle East tensions and higher energy costs**
- **Uncertainty surrounding international trade policy**
- **Changes in external demand**

STRONG FINANCES PROVIDE FLEXIBILITY

Switzerland also benefits from relatively low government financing costs. Gross government interest payments amounted to just 0.25% of GDP in 2025, the lowest among 35 economies tracked by Econorama.

The combination of low debt, inexpensive government financing, and a zero policy rate gives Switzerland considerable fiscal flexibility at a time when borrowing costs remain elevated across many major economies.

Market Roundup

SNB HOLDS AT ZERO AS ENERGY LIFTS INFLATION

The Swiss National Bank kept its policy rate unchanged at 0% in September, maintaining borrowing costs at zero since mid-2025. Inflation rose to 0.8% in August from 0.6% in May, mainly due to higher energy prices. The SNB expects inflation to rise further in Q4 before easing through 2027, averaging 0.7% in 2026 and 0.8% in both 2027 and 2028, remaining comfortably within its target range.



Image Source: REUTERS/Pierre Albouy

US-CHINA TRUCE EXTENDED TO JANUARY 2027

Washington confirmed that the US-China trade truce will continue until January 10, 2027, extending tariff relief and rare-earth flows beyond November. Treasury Secretary Scott Bessent announced the extension as Xi Jinping arrived for a state visit, while noting that Beijing still needs to deliver further commitments. Markets had already anticipated an extension ahead of the summit.



GERMAN SERVICES RETURN TO GROWTH

Germany's Services PMI climbed to a seven-month high of 52.9 in September from 49.7, beating expectations of 50 and ending five months of contraction. New business grew at its fastest pace in almost a year, while backlogs increased for a second month, suggesting stronger demand and rising capacity pressures.



AUSTRALIAN YIELDS NEAR 15-YEAR HIGHS

Australia's 10-year government bond yield approached 5.4%, near its highest since 2011, following the broader global bond selloff. Strong US data, higher oil prices and expectations for further Fed tightening have pushed yields higher globally.

Domestically, Australian employment increased by 39,500 in August, nearly double the 20,000 forecast. However, unemployment edged up to 4.6%, its highest level in five years.



Market Roundup

EUROZONE CREDIT GROWTH ACCELERATES

Eurozone household lending rose 3.1% year-on-year to €7.26 trillion, unchanged from the previous month but below the 3.2% forecast. Business lending slowed to 4.2% from 4.4%, while overall private-sector credit growth accelerated to 4.3%, its strongest since February 2023.



Image Source: REUTERS/Pierre Albouy

GERMAN CONSUMER SENTIMENT SLUMPS

Germany's GfK Consumer Climate Indicator fell to its weakest since May as higher energy prices weighed on income expectations. Household willingness to save reached its highest since the 2008 financial crisis, although economic expectations improved for a fifth month.



US YIELDS EASE FROM MULTI-YEAR HIGHS

The 10-year US Treasury yield eased after a sharp selloff pushed borrowing costs to their highest since 2007. Falling oil prices on hopes of an Iran agreement provided some relief, although markets still expect further Fed tightening, including another potential rate hike.



SAUDI TRADE SURPLUS NARROWS

Saudi Arabia's trade surplus narrowed to its smallest in over a year as exports fell faster than imports. Both oil and non-oil exports declined, while imports also dropped sharply, led by machinery and electrical equipment. China remained the country's largest export destination and import source.



The Week Ahead

Markets face a busy economic calendar next week, led by the RBA rate decision, US PCE inflation, and the September jobs report. Inflation and labor-market data will be closely watched as investors assess the outlook for monetary policy and economic growth.

AMERICAS

The US calendar begins Tuesday with CB Consumer Confidence and JOLTS job openings. Wednesday will be particularly active, featuring ADP employment, Core PCE inflation, revised Q2 GDP, Chicago PMI and crude oil inventories.

Thursday brings weekly jobless claims alongside the S&P Global and ISM Manufacturing PMIs. Their prices-paid components will be closely monitored for signs of persistent inflation.

Attention then shifts to Friday's September employment report, including nonfarm payrolls, unemployment and average hourly earnings. The release could drive volatility across the dollar, Treasury yields, gold and major currency pairs.

EUROPE

The European calendar includes UK Q2 GDP and German CPI on Wednesday, providing fresh signals on growth and inflation. The week concludes with Eurozone CPI on Friday, which will offer another update on regional price pressures and the monetary policy outlook.

ASIA-PACIFIC

The RBA rate decision on Tuesday will be the region's main central bank event. On Wednesday, China's Manufacturing PMI will provide an update on factory activity and economic momentum.

Trading conditions will become quieter later in the week, with China and Hong Kong closed Thursday and Friday for National Day, while Indian markets will be closed Friday for Gandhi Jayanti.

Overall, markets will be balancing signs of softer economic growth against continued inflation pressure, with US labor data likely to remain a major focus.





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