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WEEKLY ECONOMIC NEWSLETTER

BY ICAI DUBAI UAE CHAPTER

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Weekly Economic Newsletter by ICAI Dubai UAE Chapter (Issue 16)

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Week ending Sep 27, 2025

	Current Week	Previous Week	% Change			Current Week	Previous Week	% Change
DFM	5,855.31	6,023.21	**-2.79%**		**USD/INR**	88.6700	88.0900	**+0.66%**
ADX	9,999.82	10,128.14	**-1.27%**		**EUR/USD**	1.1700	1.1742	**-0.36%**
SENSEX	80,426.46	82,626.23	**-2.66%**		**USD/JPY**	149.50	147.96	**+1.04%**
NIFTY	24,654.70	25,327.05	**-2.65%**		**USD/CNY**	7.1300	7.1100	**+0.28%**
DOW	46,247.29	46,315.27	**-0.15%**		**Gold**	3,761.85	3,684.85	**+2.09%**
NASDAQ	22,484.07	22,631.48	**-0.65%**		**US 10-year**	4.1760	4.1310	**+1.09%**
S&P 500	6,643.70	6,664.36	**-0.31%**		**Brent Crude**	68.71	66.00	**+4.11%**

Saudi non-oil exports post 30.4% increase in July-2025

- According to the data released by the General Authority for Statistics (GASTAT), Saudi Arabia's non-oil exports, including re-exports, recorded an increase of 30.4% in July 2025 compared to July 2024.
- The ratio of non-oil exports to imports increased to 44.6% in July from 33.4% during the same month last year.
- Machinery, electrical equipment, and parts constituted 29.7% of the total non-oil exports, followed by chemical products, which represented 19.6%.

Saudi freezes rent hikes in Riyadh for five years amid price surge

- Saudi Arabia's Crown Prince ordered the freeze for both residential and commercial properties located within the urban area of Riyadh for the next five years, as the kingdom responds to a spike in prices amid its ambitious economic transformation.
- The kingdom is in the midst of a transformation plan known as 'Vision 2030' which aims to diversify the economy away from oil revenues, investing in sectors such as tourism and sports.
- The plan, spearheaded by the almost $1 trillion sovereign wealth fund PIF, includes massive investment in infrastructure including in projects in Riyadh, which have contributed to increase demand, fueling an increase in residential and commercial real estate prices.
- Rental rates in the capital jumped by 13.9% in the second quarter compared to the same period a year earlier annually for villas, while apartment rents climbed by 6.9%.

India's flash PMI declines in September, on weaker export orders

- The HSBC India Flash Manufacturing Purchasing Managers' Index (PMI) eased to 58.5 in September from 59.3 in the preceding month, as new export orders rose at the weakest pace in six months under the impact of 50 per cent tariff on India by the US administration. Domestic orders showed resilience ahead of the festive season.
- HSBC India Services PMI in September also dropped to 61.6 from 62.9 in August. Composite PMI Output eased to 61.9, down from the multi-year high of 63.2 in August.
- A reading above 50 in PMI indicates expansion, while a reading below 50 signals contraction.
- On employment growth, the report said the private sector had cooled, with only 3 per cent of the manufacturing firms and 5 per cent of the service providers reporting job creation. Most indicated sufficient staff for current business needs.

India's foreign exchange reserves increase by $396mln to $702bln

- According to the weekly data released by the Reserve Bank of India (RBI), India's foreign exchange reserves increased by $396 million to $702.5 billion in the week ended September 19.
- The total reserves fell on the back of a decline in foreign currency assets, which decreased by $864 million during the reported week.
- The reserves had hit a record high of $705 billion in September 2024.

China leaves benchmark lending rates unchanged

- The People's Bank of China (PBOC) kept the one-year loan prime rate unchanged at 3.0% while the five-year rate remained at 3.5%. this is the fourth consecutive month that the policy rates have been kept unchanged.
- The one-year rate influences most new and outstanding loans, while the five-year benchmark affects mortgages.
- The central bank last trimmed the key lending rates by 10 basis points in May as part of Beijing's efforts to shore up its economy.
- The decision Monday came in line with economists' expectations that Chinese authorities would hold off major stimulus measures, even as a string of economic data underscored signs of fatigue in the economy.
- China's economic slowdown deteriorated in August with a raft of key indicators missing expectations. Retail sales slowed to 3.4% in August as consumption remained weak, while industrial output growth eased to 5.2%, marking its weakest level since August last year.

Swiss National Bank keeps interest rate at zero

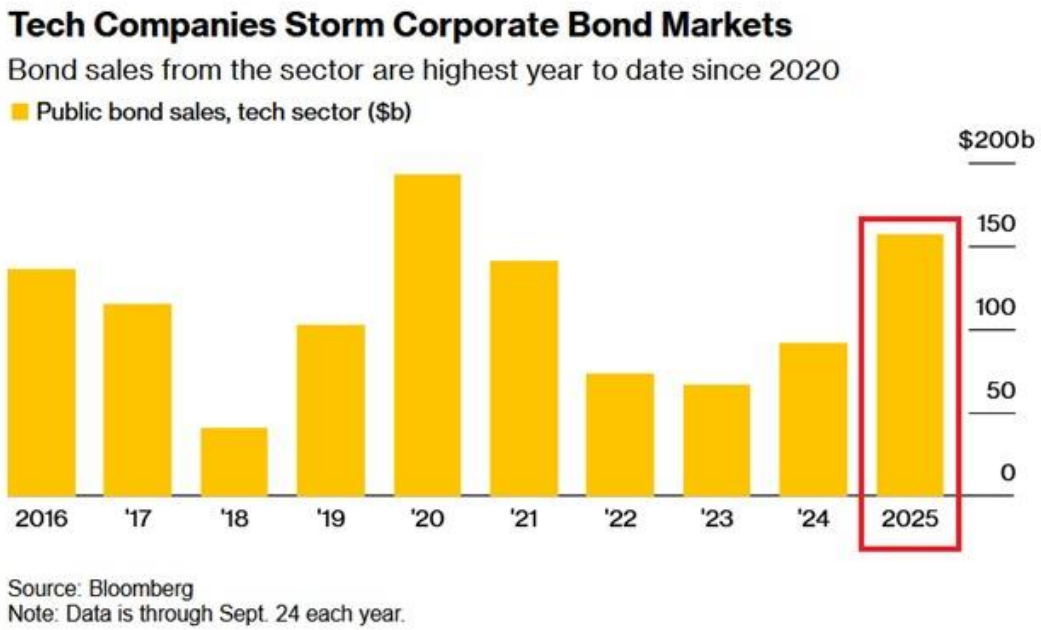
- The Swiss National Bank (SNB) held its benchmark interest rate at zero on Thursday, the lowest among major central banks, as it warned that U.S. President Donald Trump's tariffs had dimmed the outlook for the Swiss economy going into 2026.

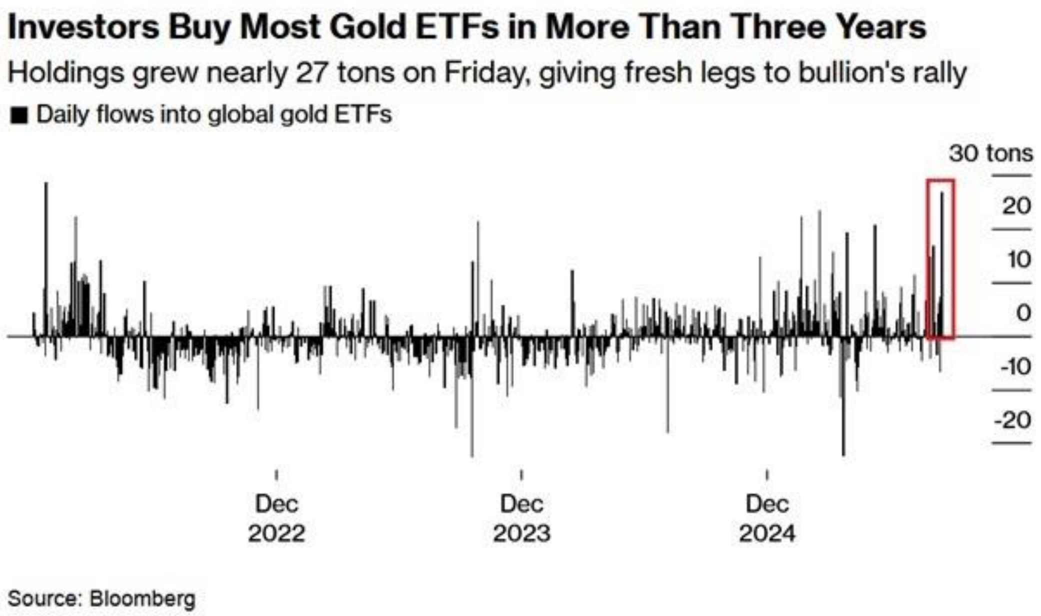
- The SNB's decision to keep its policy rate at 0% had been widely expected by markets and a Reuters poll, and was helped by a small uptick in inflation in recent months.
- It was the first hold in seven meetings by the SNB, after it started reducing borrowing costs in March 2024.
- The SNB now expects growth of just under 1% for 2026, down from its previous forecast for 1% to 1.5% growth. Unemployment would also rise, it said.
- SNB Chairman Martin Schlegel repeated his position that there are high hurdles to reintroducing negative rates, which sparked concerns from savers and pension funds when used from December 2014 to September 2022. But the SNB is prepared to cut rates again if necessary.
- Schlegel pointed to the bank's forecast for inflation to stay in its 0-2% target range in the coming quarters but said he was ready to act if inflation fell below target.

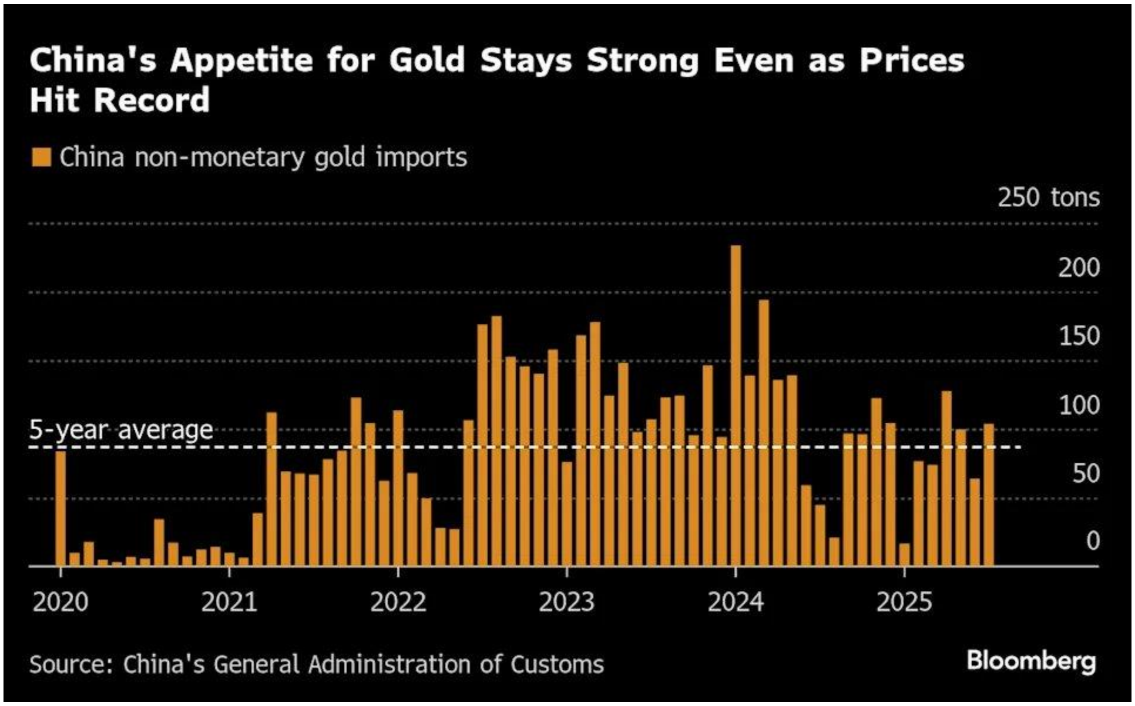
PCE – Fed's preferred inflation gauge stays at 2.7% in August

- According to the data released by the Commerce Department, the personal consumption expenditure (PCE) price index posted a 0.3% gain for the month, putting the annual headline inflation rate at 2.7%.
- Excluding food and energy, the more closely followed core PCE price level was 2.9% on an annual basis after rising 0.2% for the month.
- The headline annual inflation rate was a slight increase from the 2.6% in July while the core rate was the same.
- Personal income increased 0.4% for the month, while personal consumption expenditures accelerated at a 0.6% pace. Both were 0.1 percentage point above the respective estimates.
- Though the Fed targets inflation at 2%, the readings are unlikely to change course for policymakers who last week indicated they see two more quarter percentage point reductions before the end of the year.
- While the central bank takes in a wide dashboard of data points, it uses PCE as its forecasting measure for inflation as officials believe it provides a wider view than other reports such as the consumer price index, and takes into account changes in consumer spending habits.
- Goods prices increased 0.1% while services rose 0.3%. Food showed a gain of 0.5% while energy goods and services jumped 0.8%. Housing costs posted a 0.4% rise.

A week gone by – In Charts







What to expect in coming week?

Date	Country / Region	Event	Forecast	Previous
29th Sep	US	Pending Home Sales	0.2%	-0.4%
30th Sep	China	Manufacturing PMI	49.6	49.4
	Australia	RBA Monetary policy	3.60%	3.60%
1st Oct	US	ISM Manufacturing PMI	49.1	48.7
3td Oct	US	Nonfarm payrolls	51K	22K
		Unemployment rate	4.3%	4.3%

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