

RESEARCH UPDATE

MARKET watch

OCTOBER 2025



Global equity markets rallied higher in September with many indices reaching new record highs. US markets advanced on renewed artificial intelligence (AI) optimism and a 0.25% cash rate cut by the US Federal Reserve, the first cut in 9 months. The S&P 500 and the Nasdaq Composite Index rose 3.5% and 5.6% respectively, driven by the Information Technology and Communication Services sectors. The Hang Seng Index climbed 7.1% to a four-year high and recorded a fifth consecutive monthly gain. Positive momentum continued with pledges of further growth policy support, a recovery in industrial profits and progress in US-China trade talks. On the other hand, the S&P/ASX 200 lost 1.4% with 10 out of 11 sectors falling over the month.

S&P/ASX 200 Sector Performance

The lone positive sector for September was Materials which was up 4.6%. Gold producers were the major driver of gains with Resolute Mining Limited (59.7%), Ora Banda Mining Limited (39.6%), Bellevue Gold Limited (33.1%), Emerald Resources NL (32.8%), and Regis Resources Limited (32.4%) leading their peers higher. Gold prices reached new record highs of over \$3,860 USD/oz, supported by central bank purchasing, the rate cut in the US, and continued geopolitical tensions. Copper miners also performed strongly with Capstone Copper Corp. and Sandfire Resources Limited returning 20.5% and 14.0% respectively. Copper prices rallied in September after major producer Freeport-McMoRan who produce 3% of the world's copper supply was forced to close

their Indonesian mine following a mudslide. Freeport-McMoRan does not expect production levels to recover until 2027.

Energy was the worst performing sector for the month, falling 10.6% on weaker crude oil prices with the Organization of the Petroleum Exporting Countries and allies (OPEC+) expected to increase production levels at their next meeting in early October. Santos Limited fell 16.1% after the consortium led by a subsidiary of the Abu Dhabi National Oil Company and American private equity firm Carlyle, withdrew their indicative acquisition proposal. Viva Energy Group Limited lost 16.0% after moving ex-dividend and announcing a series of senior leadership changes. Notably, convenience and mobility division CEO Jevan Bouzo announced

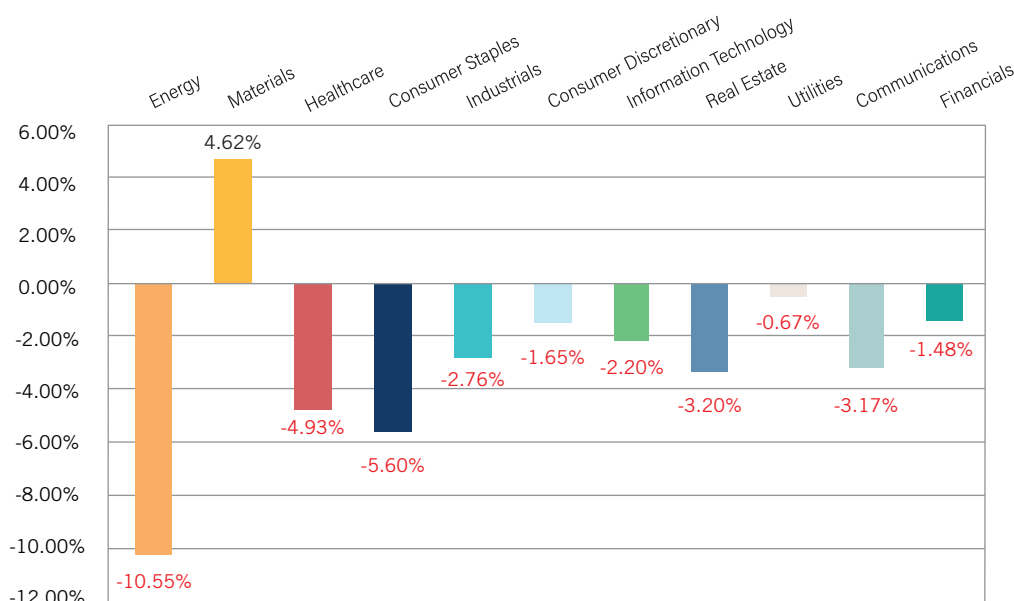
his resignation after ten years at the company. Uranium producers remained resilient with Deep Yellow Limited, Paladin Energy Limited, and Boss Energy Limited returning 8.0%, 6.0% and 5.4% respectively.

The Consumer Staples sector retreated 5.6% in September, with losses led by the a2 Milk Company Limited (-10.1%) as it moved ex-dividend for a payment of 11.5 NZ cents per share and Treasury Wine Estates Limited (-9.7%) as it was removed from the S&P/ASX 50. Supermarket operators, Woolworths Group Limited (-7.3%) and Coles Group Limited

(-2.5%) fell after the Federal Court of Australia's ruling on wage underpayments will result in compensation of \$530 million and \$250 million respectively.

Healthcare had another weak month, declining 4.9%. Regis Healthcare Limited led losses with a fall of 23.3%, after it reported that the pricing changes to the Australian National Aged Care Classification (AN-ACC) base price and hotelling supplement would be unable to offset increases in staffing costs for the 2026 financial year. Other sectoral laggards included EBOS Group Limited (-12.0%), Sonic Healthcare Limited (-10.9%) and Cochlear Limited (-7.4%).

S&P/ASX 200 Sector Performance



Data Source: Desktop Broker, 1 October 2025.

Highlights

Australia: The Australian Bureau of Statistics (ABS) published the monthly business turnover indicator for July. In seasonally adjusted terms, business turnover rose 2.9% over the month, the largest increase since May 2022. Growth was present across all sectors with the electricity,

gas, water, and waste services leading growth with a 15.8% rise. Other sectors that experienced high growth were the professional, scientific and technical services (4.6%), manufacturing (4.2%), and construction (3.8%).

The Reserve Bank of Australia (RBA) has

unanimously agreed to hold the cash rate at 3.60% with the board noting that despite the substantial fall of inflation from its peak, recent estimates have suggested that inflation for the current quarter may be higher than what was expected at its previous meeting. The board also noted that domestic economic activity is recovering, and labour market conditions remained steady over recent months.

US: Nvidia announced a deal with struggling competitor Intel, whereby the companies will collaborate to develop AI infrastructure and computing products including a custom data centre. Nvidia will also invest US\$5 billion into Intel by purchasing common stock at US\$23.28 per share.

US President Donald Trump announced a new pharmaceutical tariff of 100% for all branded and patented products. However, companies that are building manufacturing plants in the US will be exempted from the tariff.

Canada: The Bank of Canada made a 0.25% cut to its interest rate, bringing it down to 2.5%. This was the central bank's first rate cut since March this year. The decision was made to stimulate the economy, following weaker inflation and labour market data.

United Kingdom: UK Prime Minister Sir Keir Starmer has shuffled his cabinet after Deputy Prime Minister Angela Rayner resigned following an independent inquiry into a tax error on her purchase of an apartment.

The UK has announced plans to tighten immigration policies including requirements to obtain 'indefinite leave to remain' status.

Changes include doubling the qualifying time to ten years and the requirement to pass a more difficult English language test.

New Zealand: The Reserve Bank of New Zealand (RBNZ) has appointed the First Deputy Governor of the Sveriges Riksbank (the central bank of Sweden), Anna Breman as its governor, to start on the 1st of December. Breman will be the first female RBNZ governor and the first foreign governor since the very inaugural governor in 1934.

New Zealand's economy contracted 0.9% in the June quarter and 1.1% on a per capita basis, a larger than expected fall compared to economist predictions. For the 12 months to the end of the June quarter, gross domestic product (GDP) fell 1.1%.

China: The Chinese government has banned Chinese companies from using semiconductor chips produced by US firm Nvidia. The move came after accusations that Nvidia had breached antimonopoly laws.

Five government agencies have made a joint announcement of a two-year plan to curb production and capacity of China's steel industry. Industry growth will be capped at 4% annually for 2025 and 2027 in order to end the steel oversupply that has led to shrinking profits.

Japan: Japanese Prime Minister Shigeru Ishiba has resigned following internal party pressure following a poor result in upper-house elections in July. A new leadership vote is expected to occur in early October.

What to watch out for

US President Donald Trump has begun imposing a new round of tariffs. In addition to the pharmaceutical tariffs, Trump has placed tariffs on lumber, furniture, and heavy trucks which is expected to be enforced from the 14th of October. He has also taken to social media to

renew threats of 100% tariffs on foreign films although there is little clarity regarding the details or a timeline for when the tariff will come into effect.

Conclusion



Global equity markets have continued to rally, driven by a rally in technology sectors. Inflation has continued to moderate in most markets which has enabled Central Banks to cut interest rates, albeit there is some uncertainty as to whether inflation will continue to trend down. Geopolitical tensions across the world remain elevated but have so far had little impact on markets.

During periods of uncertainty, clients should:

- **Stick to the plan:** Focus on your long-term goals. Our investment approach is focused on the long term and designed so that your portfolio can ride out any downturns – including this one. Staying the course, despite how uncomfortable it may feel right now, will prove to be the better option when looking back five years from now.

Investors who stayed the course while equity markets declined in the depths of the COVID-19 pandemic in early 2020 have benefitted from one of the fastest market turnarounds with equity markets. Investors who sold equities during the downturn and waited until economies started to show recovery before buying back into the market missed a large part of the recovery.

- **Maintain a buffer of safety:** Holding a buffer of cash and term deposits has been a key strategy to provide a cushion against market downturns and to protect capital.
- **Take advantage of the weakness:** Market downturns provide buying opportunities to invest in long-term, quality investments.
- **Focus on quality investments:** Invest in companies that generate stable cash flows to support distributions, which are not connected to the movements in asset prices, and partner with fund managers who share the same investment philosophy and objectives.
- **Diversify:** Spread investments across asset classes, industries, sectors and geographies.
- **Regularly rebalance the portfolio back to your risk profile:** Ensure the portfolio is not exposed to unwanted risks to lock in profits.
- **Remain calm, and speak to your Apt adviser:** It is important that you speak to your Apt adviser before making any financial moves. Your adviser understands your long- and short-term goals and will have been planning for these types of scenarios already, so they are best placed to explain any impact and discuss the best options and opportunities for you personally.

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