29 September 2025, 10:57 UTC
Chief Investment Office GWM
Investment Research

What to watch in the week ahead

Weekly Global

Mark Haefele, Global Wealth Management Chief Investment Officer, UBS Switzerland AG

- US employment data and a possible shutdown of the federal government are in the spotlight this week, with a 1 October funding deadline pending and the September jobs release expected Friday. Could a shutdown delay the release?
- Recent headlines have underlined the reliance of AI leaders on the power and resources sector, including a USD 100bn NVIDIA-OpenAI deal. Are more such tech tie-ups on the way?
- In what was widely seen as a shift in rhetoric, US President Trump said that he believes Kyiv can retake all its occupied territory, calling on Ukraine to act now while Russia faces "big" economic problems. Will pressure intensify on Russia to end hostilities against Ukraine?

Will US employment data restore confidence in Fed rate cuts? Or will a government shutdown delay the release?

The S&P 500 edged 0.3% lower last week, having gained in 8 of the prior 10 weeks. The main reason for the setback was growing concern that the Federal Reserve might lower interest rates at a slower pace than investors expect. That followed remarks from Fed Chair Powell that further easing was not a "risk-free path" given continued inflation worries. And at the end of the week, the release of the personal consumption expenditure index—the Fed's favorite measure of inflation—remained well above the central bank's 2% target, with an annual core rate of 2.9% for August.

For the big news of the week, investors will have to wait until Friday for the September jobs release. This is especially important given that the central bank's focus has increasingly been shifting to mounting evidence of weakness in the labor market. And of course, maintaining maximal employment is the second pillar of the Fed's dual mandate, alongside price stability. The consensus forecast is for another month of relatively sluggish jobs growth at 48,000 for the month, up from an initial estimate of 22,000 last month—and much below job creation rates of well over 100,000 a month for most of this year. However, with the supply of workers also weakening, this is not expected to boost unemployment beyond the 4.3% recorded in the prior month. Any significant departure from such figures—either stronger or weaker—would be big news for markets.

That said, the potential curveball for the week is the possibility of a US government shutdown, which could delay the publication of economic data—including the employment report. Investors will be looking to see if a deeply divided Congress can agree to a deal ahead of the 1 October deadline.

Explore more about the Fed and other central banks

- Discover further CIO insights into the pending US government shutdown here.
- Read our latest views on the political situation in France within this edition of our Daily. For a more detailed view on the French outlook, please see our podcast Across the Pond: Investment opportunities in Europe remain, despite political gridlock in France, recorded prior to the appointment of the current prime minister.
- The SNB left its policy rate unchanged at 0%. Read this Swiss economy report to understand what this means for investors.

Explore more about equities

- Read CIO Equity Strategist Sundeep Gantori and colleagues' latest blog, asking: Is AI set to enter the exponential adoption phase?
- Learn more about opportunities beyond AI in this report.
- With rates low or falling across several currencies, discover how to Put cash to work with multi-asset income strategies.

Explore more about the geopolitics

- Explore how to invest in the face of geopolitical and political risks in Geopolitical risks: An investor's guide.

Based on recent history, we believe any shutdown would have only a fleeting and minor impact on the US economy and markets. Meanwhile, our expectation is that the upcoming jobs report, whether published on Friday or later, will provide further evidence of a cooling labor market. That supports our forecast for 75 basis points of additional rate cuts between now and the end of the first quarter of 2026. With returns on cash set to fall further, we continue to advise investors to put cash to work in the markets.

Will more tech deals lift the outlook for power and resources firms?

Recent headlines have underlined the reliance of AI leaders on the power and resources sector. Last week's big news was a USD 100bn deal under which NVIDIA will supply OpenAI with advanced chips for data centers with a capacity of at least 10 gigawatts of power. That is equivalent to the needs of more than 8 million US households. The scale of the agreement underlines our view that the expansion of AI will increasingly benefit the power and resources industry.

This week and beyond, investors will be looking for more such tie-ups as AI firms seek to beef up their computing capacity.
Against that backdrop, we expect AI data center infrastructure spending globally to reach USD 3-4tr annually by the end of the decade, consistent with recent forecasts from NVIDIA. And there are other drivers of electricity demand beyond tech: the electrification of transport, industrial reshoring, rising global demand, among others.

So, with sustained demand and ongoing investment underpinning fundamentals, we expect power and resources companies to offer durable organic growth in the years to come.

Will pressure intensify on Russia to end hostilities against Ukraine?

With investors focused on the Fed and tech news, markets have generally been paying less attention to geopolitical developments.
But President Trump's comments on Ukraine did capture the headlines. In what was widely seen as shift in rhetoric, the US president said that he believes Kyiv can retake all its occupied territory, calling on Ukraine to act now while Russia faces "big" economic problems. President Trump had previously pressured Kyiv to relinquish claims on territory to reach a peace deal.

Trump's comments came as the European Commission president promised to end imports of Russian energy by the end of the year and NATO said it would use "all necessary military and non-military tools" to avoid further incursions into its airspace from Russia.
This week, investors will be looking for further developments that could add to pressure on Russia, whether from the US, Europe, or NATO.

In our view, the change in President Trump's rhetoric is notable, but so far no new support measures or sanctions have been detailed, beyond the existing NATO mechanism allowing the purchase of US-built weapons and defensive systems. We continue to see the Russia-Ukraine war extending into 2026, and are monitoring the unlikely but growing tail risks of escalation and direct NATO involvement. We continue to recommend our "Six ways to invest in Europe" theme, which includes beneficiaries of a potential truce and Ukraine's future reconstruction. Against a backdrop of

- Listen to this edition of Investors Club, where CIO Head of Investment Risk Dirk Effenberger joins CIO's Wayne Gordon and Christopher Swann to discuss how to think of the ongoing geopolitical conflicts today and what investors can do to manage their portfolio risk.
- Gain insights into our views on gold in this one-pager.

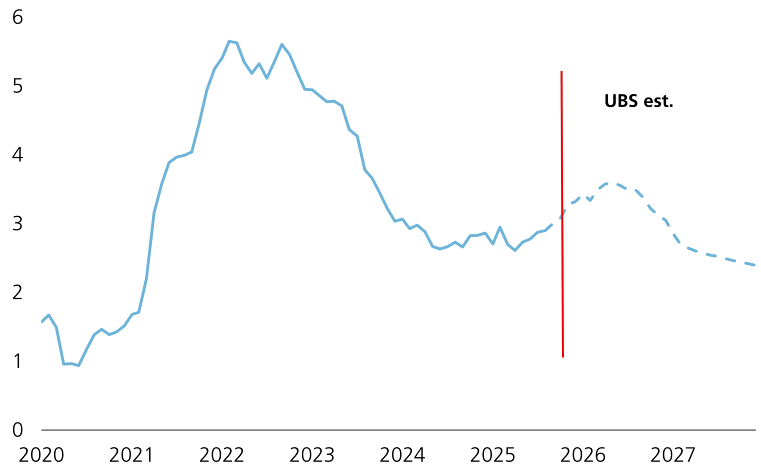
continued geopolitical uncertainty, we believe portfolio stabilizers such as gold and quality bonds are attractive, while risk-tolerant investors could consider alternatives like hedge funds.

Chart of the week

The US core personal consumption expenditures price index rose 2.9% y/y in August, in line with market expectations and the pace of growth in July. While the multi-year disinflation trend has ended, price increases have so far not been as bad as feared. We expect a temporary, modest rise in prices as businesses pass on tariff costs across a broad range of goods, while shelter inflation should ease. Nevertheless, with the Fed prioritizing the labor market over inflation, we continue to anticipate 75 basis points of rate cuts by early 2026, moving policy to neutral.

Inflation has not been as bad as feared, and we see only a temporary increase next year

US core personal consumption expenditures price index, year-over-year %, including UBS forecasts



Bloomberg, UBS, as of 26 September 2025

Non-Traditional Assets

Non-traditional asset classes are alternative investments that include hedge funds, private equity, real estate, and managed futures (collectively, alternative investments). Interests of alternative investment funds are sold only to qualified investors, and only by means of offering documents that include information about the risks, performance and expenses of alternative investment funds, and which clients are urged to read carefully before subscribing and retain. An investment in an alternative investment fund is speculative and involves significant risks. Specifically, these investments (1) are not mutual funds and are not subject to the same regulatory requirements as mutual funds; (2) may have performance that is volatile, and investors may lose all or a substantial amount of their investment; (3) may engage in leverage and other speculative investment practices that may increase the risk of investment loss; (4) are long-term, illiquid investments, there is generally no secondary market for the interests of a fund, and none is expected to develop; (5) interests of alternative investment funds typically will be illiquid and subject to restrictions on transfer; (6) may not be required to provide periodic pricing or valuation information to investors; (7) generally involve complex tax strategies and there may be delays in distributing tax information to investors; (8) are subject to high fees, including management fees and other fees and expenses, all of which will reduce profits.

Interests in alternative investment funds are not deposits or obligations of, or guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other governmental agency. Prospective investors should understand these risks and have the financial ability and willingness to accept them for an extended period of time before making an investment in an alternative investment fund and should consider an alternative investment fund as a supplement to an overall investment program.

In addition to the risks that apply to alternative investments generally, the following are additional risks related to an investment in these strategies:

- Hedge Fund Risk: There are risks specifically associated with investing in hedge funds, which may include risks associated with investing in short sales, options, small-cap stocks, "junk bonds," derivatives, distressed securities, non-U.S. securities and illiquid investments.
- Managed Futures: There are risks specifically associated with investing in managed futures programs. For example, not all managers focus on all strategies at all times, and managed futures strategies may have material directional elements.
- Real Estate: There are risks specifically associated with investing in real estate products and real estate investment trusts. They involve risks associated with debt, adverse changes in general economic or local market conditions, changes in governmental, tax, real estate and zoning laws or regulations, risks associated with capital calls and, for some real estate products, the risks associated with the ability to qualify for favorable treatment under the federal tax laws.
- Private Equity: There are risks specifically associated with investing in private equity. Capital calls can be made on short notice, and the failure to meet capital calls can result in significant adverse consequences including, but not limited to, a total loss of investment.
- Foreign Exchange/Currency Risk: Investors in securities of issuers located outside of the United States should be aware that even for securities denominated in U.S. dollars, changes in the exchange rate between the U.S. dollar and the issuer's "home" currency can have unexpected effects on the market value and liquidity of those securities. Those securities may also be affected by other risks (such as political, economic or regulatory changes) that may not be readily known to a U.S. investor.

Appendix

Risk information

UBS Chief Investment Office's ("CIO") investment views are prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland) or its affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. Additional disclaimer relevant to Credit Suisse Wealth Management follows at the end of this section.

The investment views have been prepared in accordance with legal requirements designed to promote the **independence of investment research**.

Generic investment research – Risk information:

This publication is **for your information only** and is not intended as an offer, or a solicitation of an offer, to buy or sell any investment or other specific product. The analysis contained herein does not constitute a personal recommendation or take into account the particular investment objectives, investment strategies, financial situation and needs of any specific recipient. It is based on numerous assumptions. Different assumptions could result in materially different results. Certain services and products are subject to legal restrictions and cannot be offered worldwide on an unrestricted basis and/or may not be eligible for sale to all investors. All information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness (other than disclosures relating to UBS). All information and opinions as well as any forecasts, estimates and market prices indicated are current as of the date of this report, and are subject to change without notice. Opinions expressed herein may differ or be contrary to those expressed by other business areas or divisions of UBS as a result of using different assumptions and/or criteria. UBS may utilize artificial intelligence tools ("AI Tools") in the preparation of this document. Notwithstanding any such use of AI Tools, this document has undergone human review.

In no circumstances may this document or any of the information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes (i) valuation or accounting purposes; (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Value or of defining the asset allocation of portfolio or of computing performance fees. By receiving this document and the information you will be deemed to represent and warrant to UBS that you will not use this document or otherwise rely on any of the information for any of the above purposes. UBS and any of its directors or employees may be entitled at any time to hold long or short positions in investment instruments referred to herein, carry out transactions involving relevant investment instruments in the capacity of principal or agent, or provide any other services or have officers, who serve as directors, either to/for the issuer, the investment instrument itself or to/for any company commercially or financially affiliated to such issuers. At any time, investment decisions (including whether to buy, sell or hold securities) made by UBS and its employees may differ from or be contrary to the opinions expressed in UBS research publications. Some investments may not be readily realizable since the market in the securities is illiquid and therefore valuing the investment and identifying the risk to which you are exposed may be difficult to quantify. UBS relies on information barriers to control the flow of information contained in one or more areas within UBS, into other areas, units, divisions or affiliates of UBS. Futures and options trading is not suitable for every investor as there is a substantial risk of loss, and losses in excess of an initial investment may occur. Past performance of an investment is no guarantee for its future performance. Additional information will be made available upon request. Some investments may be subject to sudden and large falls in value and on realization you may receive back less than you invested or may be required to pay more. Changes in foreign exchange rates may have an adverse effect on the price, value or income of an investment. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information.

Different areas, groups, and personnel within UBS Group may produce and distribute separate research products **independently of each other**. For example, research publications from **CIO** are produced by UBS Global Wealth Management. **UBS Global Research** is produced by UBS Investment Bank. **Research methodologies and rating systems of each separate research organization may differ**, for example, in terms of investment recommendations, investment horizon, model assumptions, and valuation methods. As a consequence, except for certain economic forecasts (for which UBS CIO and UBS Global Research may collaborate), investment recommendations, ratings, price targets, and valuations provided by each of the separate research organizations may be different, or inconsistent. You should refer to each relevant research product for the details as to their methodologies and rating system. Not all clients may have access to all products from every organization. Each research product is subject to the policies and procedures of the organization that produces it.

The compensation of the analyst(s) who prepared this report is determined exclusively by research management and senior management (not including investment banking). Analyst compensation is not based on investment banking, sales and trading or principal trading revenues, however, compensation may relate to the revenues of UBS Group as a whole, of which investment banking, sales and trading and principal trading are a part.

Tax treatment depends on the individual circumstances and may be subject to change in the future. UBS does not provide legal or tax advice and makes no representations as to the tax treatment of assets or the investment returns thereon both in

general or with reference to specific client's circumstances and needs. We are of necessity unable to take into account the particular investment objectives, financial situation and needs of our individual clients and we would recommend that you take financial and/or tax advice as to the implications (including tax) of investing in any of the products mentioned herein.
This material may not be reproduced or copies circulated without prior authority of UBS. Unless otherwise agreed in writing UBS expressly prohibits the distribution and transfer of this material to third parties for any reason. UBS accepts no liability whatsoever for any claims or lawsuits from any third parties arising from the use or distribution of this material. This report is for distribution only under such circumstances as may be permitted by applicable law. For information on the ways in which CIO manages conflicts and maintains independence of its investment views and publication offering, and research and rating methodologies, please visit www.ubs.com/research-methodology. Additional information on the relevant authors of this publication and other CIO publication(s) referenced in this report; and copies of any past reports on this topic; are available upon request from your client advisor.
Important Information About Sustainable Investing Strategies: Sustainable investing strategies aim to consider and incorporate environmental, social and governance (ESG) factors into investment process and portfolio construction. Strategies across geographies approach ESG analysis and incorporate the findings in a variety of ways. Incorporating ESG factors or Sustainable Investing considerations may inhibit UBS's ability to participate in or to advise on certain investment opportunities that otherwise would be consistent with the Client's investment objectives. The returns on a portfolio incorporating ESG factors or Sustainable Investing considerations may be lower or higher than portfolios where ESG factors, exclusions, or other sustainability issues are not considered by UBS, and the investment opportunities available to such portfolios may differ.
External Asset Managers / External Financial Consultants: In case this research or publication is provided to an External Asset Manager or an External Financial Consultant, UBS expressly prohibits that it is redistributed by the External Asset Manager or the External Financial Consultant and is made available to their clients and/or third parties.
USA: Distributed to US persons only by UBS Financial Services Inc. or UBS Securities LLC, subsidiaries of UBS AG. UBS Switzerland AG, UBS Europe SE, UBS Bank, S.A., UBS Brasil Administradora de Valores Mobiliarios Ltda, UBS Asesores Mexico, S.A. de C.V., UBS SuMi TRUST Wealth Management Co., Ltd., UBS Wealth Management Israel Ltd and UBS Menkul Degerler AS are affiliates of UBS AG. **UBS Financial Services Inc. accepts responsibility for the content of a report prepared by a non-US affiliate when it distributes reports to US persons. All transactions by a US person in the securities mentioned in this report should be effected through a US-registered broker dealer affiliated with UBS, and not through a non-US affiliate. The contents of this report have not been and will not be approved by any securities or investment authority in the United States or elsewhere. UBS Financial Services Inc. is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule") and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule.**
For country information, please visit ubs.com/cio-country-disclaimer-gr or ask your client advisor for the full disclaimer.
Additional Disclaimer relevant to Credit Suisse Wealth Management
You receive this document in your capacity as a client of Credit Suisse Wealth Management. Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website . In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.
Except as otherwise specified herein and/or depending on the local Credit Suisse entity from which you are receiving this report, this report is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).
Version A/2025. CIO82652744